Daily Report

Latin America

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Cuba

Castro Speaks at International Trade Fair in Havana

PA0511152595 Havana Radio Rebelde Network in Spanish 1854 GMT 4 Nov 95

[Speech delivered by President Fidel Castro at the International Fair in Havana on 3 November — recorded]

[FBIS Translated Text] Distinguished friends. I will fulfill this young man's request and will simply say a few words, which is what you said. Despite my bad reputation of delivering long speeches [laughter], I have recently learned to deliver short speeches. I have been forced — it is not that I learned — to deliver short speeches in all of these international meetings. Now I almost have the Olympic record of delivering the shortest speeches. Here I will have the freedom to talk a bit longer, but what I have to say is very little.

It seems to me it would have been a lack of education — at someone's request and the possible expectations of others — not to come here to say a few words of greetings, congratulations, and gratitude. We are grateful you have been able to conduct and participate in the largest fair ever. As (Masise) [International Fair President Abraham Masise] said, some people thought about the fair 13 years ago. Naturally, the fairs were small. I had the habit of coming to the fair. In the past we could see the fair. They only had 20, 30, or 40 stands, but now we cannot see them all. No one can see them all. Only specialists are able to visit a certain section. It is very difficult for me not to stop at a stand for a minutes and talk to the people there and look at the things not only out of courtesy, but also out of interest. It is now impossible to do that, especially in this one because it is one of the most important fairs. I did not have the opportunity to visit it the day of its inauguration because it coincided with my long trip abroad. The accumulation of tasks made it impossible for me to be there, however I could not stop myself from visiting the closing of the fair and having the honor of handing out the awards.

It has been a great pleasure to be here. I imagine how pleased those who received awards must feel. I have been able to see the admiration in the faces of the others. Some win one time and the others win the next. Sometimes the same people win awards more than once. Someone told me with great pride: It is the third time I have received an award. As Masise said, the place is getting too small. [Words indistinct] were not the international fairs. There was a pavilion near by [words indistinct]...the convention center.

In those times when we built those pavilions, exaggerated expenditures or simple techniques were not involved, because they were virtually built by voluntary workers. There were people criticizing [words indistinct] were always the target of criticism. Some of them were incredible because...[pauses] for example, the ones for the Pan-American [games]. Problems were emerging, but what could we do? Stop them? We could not and we decided to build them.

Today they are extraordinarily useful for the country. The fair meant...[pauses] they now serve as site for the fair. Who could have predicted that in a matter of years we would be thinking about using additional space, because there is not enough room? Cubans have had to establish maximum restrictions on [words indistinct] and we must continue that policy of giving preference to those coming from abroad. There is enough space [words indistinct] nearby area. The cows could protest [laughter] because there are a few batteries around [words indistinct] there is space reserved for high technologies such as the pharmaceutical and biotechnological industries, and so on.

We have thought about areas around Havana for future industrial developments. What we do not want is Havana to grow any larger, because people come here on their own, and miraculously, had it not been for the efforts made in the rest of the country, in other cities, Havana would now have four to five million [inhabitants]. We are now little more than two million and we are already too many [chuckles] and we do not have enough of anything. And we will have to come up with formulas and procedures to make more difficult free access to the capital. I do not wish to extend myself talking about the problems caused by uncontrollable growth of the population on services such as water, transportation, and so on [words indistinct] great difficulties.

Nevertheless, nothing could discourage us. And many comrades most probably explained to you the very modest progress we have achieved. In 1994 we [?grew] by a fraction of a point. In 1995 there was a larger increase — it stood at about 2.3 [percent] and some hope it will reach 2.7 [percent] — and there are higher expectations for next year. And this after having resisted a tremendous blow on our economy and after the blockade was heightened. And it is not because we worked well, but simply because we have worked a little better. We hope that we will do good work someday; we hope that that day will come soon. We are really striving. We are working in our country as never before to achieve efficiency. Masise quoted certain statements by Comrade Lage on some things we wanted to achieve and those we have indeed achieved.

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He mentioned the word [word indistinct] perhaps there are some more or a few less [words indistinct] at what rhythm we are working.

Maybe there are those who would like to see us move much faster. We are in no rush. Or better yet, we are in a rush. I believe there is a saying somewhere that goes: Dress me slowly as I am in a bit of a rush. What we are doing is getting dressed slowly because we would not like to undergo the same terrible experiences that have befallen other countries. Whenever I speak with some friends from abroad, even from the United States, especially a while back when I had the opportunity to meet with a so many of them, in jest I would ask them who their advisers were, because some of the things they have done have turned out really bad. It is easy to theorize, however, the difficult part lies in making things work. We are determined to learn from mistakes made by others and, of course, from their successes. The perfect combination would be to learn from their mistakes and from their failures at the same time. We routinely read the news agency reports to we keep up with what is taking place throughout the world, and we are well aware of what is taking place everywhere. We read and receive reports about what is occurring in many of the places [word indistinct]. [words indistinct] they have caused a great confusion throughout the world. Well, we are trying to unravel all this confusion. Unfortunately we do not have those wise men who were able to untangle the secrets of the hieroglyphics. Thus, we have not yet been able to untangle some of these confusions. Nevertheless, we are carefully moving forward and experiencing some of the things that are taking place at this time throughout the world. Everyone is going through new experiences, leftists and rightists alike, those who were socialists and those who were not, even those who are still socialists. This is our case. Of course there has been a major openings combined with audacious reforms measures that were adopted whenever the need called for it. We in particular paid close attention to the Chinese experience. I believe that businessmen throughout the world are focusing attentively on the Chinese experience. We also paid attention to the Vietnamese experience, spoke to them, and asked a lot of questions related to what happened to this or to that. There is no doubt that what they are doing is one of the most colossal experiments in history. They are even transforming specific concepts of history.

Even specific concepts are changing. It is definitely true that concepts are, in general, very clear. However, we can observe situations such as the growth rate that exploded and almost cannot be controlled. The risks of inflation bring about financial crisis and fraudulent operations and speculations appear in the world.

Look, the amounts are so fabulous that arithmetic can no longer be used to calculate the amount of millions that are sold or negotiated in the stock markets every day. [Words indistinct] with the material production that is said to amount to 1.3 billion or 1.3 trillion [no currency specified]. In Spanish, we learn that a million is a million, right? At that time, it seemed to be bigger amount than it seems to be now. There is a difference. After a million, came a thousand million and then came a billion. For us, a billion was a million millions. If I remember correctly, I believe a trillion was a billion billions. Anyway, we still do not need this amount although, at the rate we are going, I think we will use it soon.

However, the fact is that more than a million millions are negotiated in operations that are mostly, simply speculative in nature every day. They hit a currency today, even if it belongs to an economically powerful country, and tomorrow they strike another [words indistinct] political market. The question is how are you going to solve problems such as this one. It is very difficult to solve such problems, almost impossible, because they are unprecedented.

It is crazy to carry out all those.... There is no one with whom to discuss the problem. The entire situation has triggered great instability in regards to the value of currencies, all kinds of problems, and emergencies. The world's main banks get together and they still do not manage to stop the speculative wave that arises with a currency at a given moment. Those are modern problems that come up and their solutions are, apparently, very difficult.

There has even been talk that this type of transactions will be taxed and they have calculated that they will yield I do not know how many millions. Taxes that will be used to eliminate the problem of poverty. However, who will get all those interests to agree to reach solutions of this type? That is why I said that we all have problems today. The world has problems.

We do not even know the problems that will result from the globalization. This is a reality. It is yielding results but no one knows the consequences it will have on the world's economy and policies and even on the independence of countries. You talk to friends and they tell you about the problems that have emerged even with free trade.

Who transports on that side and who transports on this side? How many men/trucks are there on the other side and how many on this side? We do not know what will

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happen in places where transportation is not organized in large companies but still in small ones. They are [word indistinct] in comparison to the giants, but I heard interesting statements such as the following: The bridges of this country will not withstand the trucks of that country; the asphalt of the roads of this country will not withstand the weight of the trucks coming from the other side. This could provide a general idea of the many problems and details that exist in our world [?facing us]. Despite this, we have not been discouraged.

I said that we have not been discouraged despite all difficulties and I am sure that you are men and women who will not be discouraged by any difficulty. One proof of this is your presence here when over there they are discussing... [applause] when over there they are discussing this and that bill that nobody understands or finds logical at all. And we have talked to many people, with many powerful media editors of the United States and [?of other parts] of the world over the television [words indistinct].

I have replied to innumerable questions. There was a nearly unanimous criteria among all the personalities who participated [words indistinct] were not my personal friends, but they belong to institutions that [?invite] the most capable persons. None of them advocated the blockade. Not among the [?radio], television, and printed media, not among the businessmen [words indistinct] as a matter of principle.

Some have wondered: Are you not afraid that the socialist system could be transformed into a capitalist system? And I replied to them: For the time being there is no danger; the United States is guarding our back. [applause] They do not want investments here [laughs] I would dare say that without the blockade there would be many investments in our country based on the number of people who have shown their interest. This is not a blockade [chuckles], but an economic war to try to block any type of business deal here and there. And many of you must know about this perfectly well, but there is nothing like man's imagination.

There is nothing that can prosper in the face of absurdity regardless of the laws [words indistinct] and also violate the sovereignty of others. No one wants his sovereignty violated; his right to negotiate [words indistinct] the North Americans. They are increasingly less in favor of the economic war. Banning businessmen from other countries of the world from trading and investing in Cuba does not make sense to anyone. North Americans themselves are [?hurt], not because we are a country of the size of the PRC. I remembered a criteria was used that was not ethical. The PRC is very large, but since Cuba is small it does not have that much importance. You must not worry about that. Cuba has a great deal of importance as far as its principles are concerned. [Words indistinct] an economic war.

What Masise said about the United Nations is very true. He said that positions in favor of the Cuban resolution grow like the fair in Havana. First, there were 50 plus countries, then 70 plus, then 100 plus, and finally 117. These people bear this in mind when the voting time comes. Some become afraid and suddenly feel a terrible thirst, to speak of an elegant need. Others abstain. Those who abstain are tacitly rejecting the measure. That is the international opinion against an absurdity. It is not only an absurdity, it is an injustice against a small country. It is an absurdity because it violates all the principles included in the UN Charter. It violates the sovereignty of the other countries. It is a violation of the right to trade and to invest, which all businessmen or those wishing to become businessmen have. I have seen it. It is shocking for them. Many U.S. businessmen have come here. They are really shocked by this. It is like an athlete who is told you cannot participate in that competition. You cannot participate. I have the certainty that if we worked a little harder, next year's fair will be bigger. We have to review all the results, the mistakes that may have been committed. We have to take a look at the country's hospitality, which is the most important thing for us. We have to take a look at how you were treated. I am not going to talk about the businesses that were made. The more the better.

The more this fair becomes an international fair in which businessmen from all over make contacts and trade, the better. I am not appealing to the economic aspect or material interest; I am appealing to each person's sense of independence, to each person's sense of justice, and to the defense of each person's rights. For this reason, and to the extent that you are pleased with the way we welcomed you to the country, aside from the results of this meeting, the fair will continue to grow and will become a thermometer for us to gauge our work.

It has been said that there is no space for cars these days in Havana; this is strange, because bicycles are in abundance given that we have little fuel, but [words indistinct] several events at the same time: The international [word indistinct], the fair — which is more important — the baseball championship. At this moment the Japanese and Cubans should be battling each other in a complex game. The worst of the game will yield no gain because the championship was organized in such a manner that today's game is formal and tomorrow's game will decide the championship [words indistinct] first place, and who will be assigned to play today. [sentence as heard]

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Anyway, there is a sports championship and scientific and cultural activities under way. Capital city hotels are currently full. This had never happened to this degree. There is a positive sign that should not lead us to feel euphoric or to believe that [words indistinct], quite the contrary, it should lead us to analyze and be critical about how everything has developed, how efficient this has been, because at this time, as I have said before, our philosophy is called efficiency. Efficiency in our endeavors and efficiency in our relations with others, efficiency in state-owned enterprises, in mixed enterprises, and in completely private enterprises that could be established.

And we are determined to seek this efficiency and I think that a country that has shown its ability to struggle and make sacrifices, and with a good spirit we will be able to achieve the efficiency that we need, and you will be the judges when you visit our country every year and tell us frankly your opinions and criteria; whether we are doing better or worse. That is what we want from you.

I wish to echo the congratulations voiced earlier. I described you as distinguished friends; I am absolutely sure about the distinguished part, and as for the friends part, also. Thank you very much. [applause]

Discusses U.S. Embargo

PA0411191095 Havana Radio Rebelde Network in Spanish 1255 GMT 4 Nov 95

[From the "Doing Radio" newscast]

[FBIS Translated Text] During the awards ceremony at the Palace of Conventions in Havana last night on the occasion of the [words indistinct] 95 Fair, Commander in Chief Fidel Castro dicussed the embargo and how many men and women in the world disagree with this measure that hurts the Cuban people.

[Begin Castro recording] I am certain that you people will not be discouraged by no [passage indistinct]. We have talked to many people, powerful circles in the United States and have answered many questions. All of the people I met with are not personal friends, but belong to institutions. [words indistinct] It was a matter of principle. Someone asked me the other day whether I was afraid of [words indistinct].

Program Comments on Foreign Investment, Expo-Cuba

PA0311021195 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Oct 95

["Straight Talk" program with Fernando Davalos and host Osvaldo Rodriguez]

[FBIS Translated Text] [Rodriguez] Davalos, Havana City's fair — currently under way at Expo-Cuba — has again proved that there is growing interest because the number of foreign companies participating has increased. The businessmen representing these companies have expressed a great deal of interest. At the beginning of our program, I would like to ask your opinion regarding why they are so interested.

[Davalos] First, I would like to salute you and our listeners. It is very clear that there is great interest. Last year 1,010 foreign companies participated in the fair. This year there are nearly 1,500 participants. This represents almost a 30 percent increase! How is this possible in a year of the special period? How is this possible in a country with these limitations? The answer is very simple, because there is business here in Cuba. I would like to give a couple of examples, so that you understand.

This year Cuba's net income from tourism is going to be almost $1 billion or maybe a little bit more. Not all of that $1 billion is profit. Approximately, 60 to 70 percent of that are costs, the rest is profit. With that, Cuba further develops tourism, purchases medicine, petroleum, fuel, food, and other things.

Regarding our costs — $700 million — that is used to pay those who supply electricity, beer, food, and the rest of the equipment utilized by the tourist sector. Just bear in mind, costs take up $700 million. Let's talk about the sugar industry sector.

According to my own estimates, the sugar industry could be utilizing yearly no less than $300 million for equipment, iron, welding rods, and other materials. All of this equipment is to keep the industry functioning. I am giving you lump sum figures here! Now, add to all those estimates the costs involved in the expanding mining sector. It is one of the Cuban economy's most outstanding sectors. There are many other sectors of the Cuban economy that are growing — the fishing sector and others — especially, those sectors producing foreign currency. However, they have their costs, the amounts that must be paid to their suppliers. Those suppliers are here, participating in the fair.

[Rodriguez] This means that Cuba has turned into an attractive market for these companies and that is why they are here.

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[Davalos] That's correct, they have not come here as tourists! Of course, we all know that they find Cuba and its climate, beaches, and people very interesting. However they have not come here for that.

[Rodriguez] And the political and social stability.

[Davalos] That's right. They come here because there is business to be done. We could establish a parallel between the current trend — the beginning of Cuba's economic recovery — and the ever increasing interest in doing business here. Last year, we halted our economy's decline. This year there is a net growth of the economy. I understand that it has grown two point something.

[Rodriguez] Yes, that is true. The first six months there was a 2 percent growth.

[Davalos] In these nine months I understand that we are near the 3 percent mark right now. Those are my estimates...

[Rodriguez, interrupting] Yes, as you call them; your own estimates.

[Davalos] I think we will soon find out. These businessmen are aware of this. The economy is growing, you can see this out on the streets. These businessmen have a good nose for that kind of thing.

[Rodriguez] Do you think the new foreign investment law has influenced this boom? We can call this a boom because — according to the fair's organizers — they are going to have to implement new measures regarding next year's fair.

[Davalos] Yes, they are going to have to make another Expo-Cuba!

[Rodriguez] Yes, they just might have to make another Expo-Cuba. Do you think the foreign investment law has effected this?

[Davalos] Yes, undoubtedly. We have always worked to make the fair a good scenario to negotiate the development of foreign investment.

[Rodriguez] Davalos, you have given us your opinion on the effects of the new foreign investment law and about Cuba being a huge market. I would like to ask you, do you think Cuban businessmen have responded adequately to the intense interest from all these foreign investors? Well, in this case these men are not foreign investors. They are foreign businessmen who have come here to sell.

[Davalos] There was not a large space available for the current fair. We will need a different Expo-Cuba if things continue the way they are going now. This year there was a selection of Cuban enterprises allowed to exhibit. In the past, everyone with something to show went to the fair, but the situation has changed. The export sector had to select those enterprises that can really sell, to participate in the current fair.

It used to be Cuban exporters who meant well in past fairs, yet, when the chance of doing business materialized, they were unable to close a deal, because for different reasons they did not have the resources. The fair's goal is not only to exhibit Cuban products, which can be done through printed media, and in other ways. Cuban participants should go to the fair to sell, to sell exports.

[Rodriguez] However, current restrictions might be unfair, because smaller business have been excluded.

[Davalos] No, it is not true. The fair excludes enterprises which are not capable to export, all others can participate, and can also be represented by other enterprises. The fair's goal is to exhibit our achievements and exports, but when our industries do not have products to export it becomes senseless to have them exhibiting, particularly now when there is not enough space.

You also referred to the aggressiveness of foreign businessmen. It is not a matter of being aggressive — aggressive in the good sense, of course. We must smarten up though, sharpen our skills, and go to sell. We do not need to go just to greet the people and establish relations, we must sell.

The current Expo-Cuba has a better atmosphere. Music groups are not allowed. You must remember how we have criticized the festive atmosphere of past fairs in our program. But there has been a more careful organization this year, and therefore, a better environment to trade, changes that coincide with the ongoing positive evolution of the nation.

Fairs are not festivals, they are trade places. People go there to trade, or try to trade, and establish good relations for future cooperation. Fairs are also a window to the world's technology, to the best of worlds' technology. Thus, we ought to take advantage of this opportunity. We cannot go to the fairs to walk and enjoy ourselves, we must go to work, learn, inform ourselves, and do business.

[Rodriguez] I agree that perhaps entertainers created interruptions in past fairs, particularly last year, when they performed almost at the same time that exhibitors were engaged in business. However, I do not think that we should ban entertainers, because they are part of Cuban tradition.

[Davalos] Yes, I understand. Cuban cultural tradition is still present in the fair, yet, there are designated hours

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for the shows. Entertainers are allowed to perform during the evening. Guests stop coming in at 1800, and the fair is opened up to 2000. I agree that Cuban cultural tradition is legitimate and authentic. However, it happened that last year an enterprise would perhaps test audio equipment inside a pavilion, the noise would became unbearable, and people did not have a chance to hear what was said. And you must realize that sometimes audio equipment's sound is comparable to a whole band performing in a room. All these problems have been resolved, and nowadays the working atmosphere has greatly improved.

[Rodriguez] I do not believe that people's access to the fair should be restricted. However, I do agree that we need a certain level of selectiveness in the public allowed to the fair during business hours.

[Davalos] Some measures were taken in this regard. Opportunities are limited, thus, only specialists, people who can take full advantage of the fair, have priority. On Saturday, the general public will be allowed in at a certain time, yet, by invitation only. I repeat, fair grounds are a working place. People can find entertainment elsewhere. Fairs are a window to the world of technology, and Cuba must take full advantage of them. We do not have many opportunities of this nature. Also, I want to highlight that Havana fair is the largest in Latin America.

[Rodriguez] Is that so?

[Davalos] I should add that it is not only my opinion. Cuban authorities have acknowledged for the first time that perhaps Havana's fair is in first place in Latin America. The fair in Santiago the Chile is the main fair — or the oldest fair — in the region. Bogota's fair occupies the second place. Havana's fair ranked at a similar, or perhaps a somewhat higher level than Bogota's fair in 1994.

However, there is a great deal of U.S. involvement in Santiago de Chile's fair. We here do not have any. I was telling Abraham Masise, president of the organizing committee, the day we finally patch things up with the United States and U.S. businessmen come to the fair, we are going to have to build another fair. The other day the director of Santiago de Chile's fair was here and he was surprised to see the number of companies — even without the presences of U.S. companies — that were at our fair, many of which have never participated in Santiago de Chile's fair. This means that the day U.S. companies are able to participate in our fair — I personally think that day is near — Cuba will have to be more selective. Already there is talk about Expo-Cuba needing to be at least 2,000 square meters larger next year.

[Rodriguez] Getting back to the issue, foreign businessmen's interest in Cuba. You have mentioned their commercial interest in Cuba. Now, what interest do we Cubans have in these businessmen coming to here to offer their products?

[Davalos] First of all, it saves traveling costs for them and for us. First, just imagine if we would have to go abroad to purchase equipment or something similar. Secondly, the fair produces profits. Of course, it is not too much if you compare it with our country's trade volume. In third place, as I said before, there is cultural and technical exchange. Our specialists, managers, operators, qualified workers, and university professors take advantage of and enjoy these exchanges. There is also the possibility of selling our products. The fair is a place for selling and our main exporters are there at the fair.

[Rodriguez] Davalos, you have mentioned aspects regarding the fair next year and its future. What is the future of foreign businessmen and investors here in Cuba? What do you think will happen, on a short term basis? I mean in one year.

[Davalos] As you said earlier, we are experiencing a boom. The foreign investment law has been implemented. According to what I have seen — through press agencies releases — the law has aroused quite a lot of interest. We have seen this during Fidel's recent visit to New York. U.S. businessmen — whose access to Cuba is prohibited — expressed a lot of interest in our foreign investment law. Those are people who can not come here, due to their own laws. All around the world... [changes thought] This year there are seven new nations participating. Greece and other countries have come. The interest in business opportunities in Cuba continues to grow. This is besides our natural beauties, which continue to be something very attractive to anyone coming to Cuba from abroad.

[Rodriguez] Undoubtedly, foreign businessmen's interest in Cuba is going to help us resolve our economic problems. Furthermore, this will open the doors to a world of technology and trade. Many thanks to Fernando Davalos for being with us today.

Roundup of Politburo Members' Activities

PA0311044795

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 2 November.

Minister of the Revolutionary Armed Forces General Raul Castro has presided over the national meeting that

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analyzed the progress being made by the Turquino-Manati Plan. Other members of the politburo participated in this meeting. Problems affecting coffee production were discussed. Services being granted to the people of the hills were examined and it was proposed, as a solution to problems, that private work be performed to accomplish tasks the state cannot tackle. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 26 Oct 95)

Politburo member Pedro Ross Leal participated in the 19th Sugar Congress initial session, which was held in Havana today. The participants reviewed activities in the sugar industry sector. (Havana Cuba Vision Network in Spanish 0100 GMT 28 Oct 95)

Carlos Lage, Vice President of the State Council, attended last night the ceremony where Cuba and Italy ratified a reciprocal investment promotion and protection agreement. Giovanni Ferrero, Italian Ambassador to Cuba, and Ernesto Melendez Bachs, Minister of Foreign Investment and Economic Cooperation, exchanged documents. Following the ceremony, Lage commented that the agreement creates the necessary conditions to improve economic relations; and he emphasized the fact that Europe is currently Cuba's leading trade partner. (Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 95)

UN Vote on Blockade Said 'Humiliating' Defeat for U.S.

PA0311155095 Havana PRENSA LATINA in Spanish 1317 GMT 3 Nov 95

[FBIS Translated Text] Havana, 2 Nov (PL) — The Cuban Government today described the results of the UN General Assembly vote against the blockade imposed by the United States on Cuba three decades ago as "another humuliating defeat for the empire."

An editorial published by the official daily GRANMA pointed out that for the fourth year in a row, the international community has manifested with a growing number of votes its "categorical rejection" of both the U.S. siege and the legislative maneuvers (the Helms-Burton Bill) aimed at tightening it.

With 117 votes in favor, three against (the United States, Israel, and Uzbekistan), and 38 abstentions, the assembly backed a resolution draft entitled "Need for Putting an End to the Economic, Commercial, and Financial Blockade by the United States of America Against Cuba."

After pointing out that U.S. pressure at the UN and in many capitals proved useless, the editorial notes that 117 countries said no to "a silent atomic bomb that kills men, women, children, and the elderly," as President Fidel Castro said metaphorically on 22 October in New York.

As the organ of the governing Communist Party of Cuba sees it, solid Latin American and Caribbean backing at the UN session, a "political antipodal to the shameful voting of 1962 when Cuba was unjustly expelled from the OAS," stressed the U.S. isolation.

The island's victory, the editorial reports, was preceded by a blockade-rejection process that began at the Ibero-American Summit in Bariloche, continued with the Nonaligned Movement Summit in Cartagena de Indias, and culminated with the presence of the president of Cuba for the celebration of the 50th anniversary of the United Nations.

GRANMA reports that important regional groups, such as the European Union, as well as small states, such as St. Lucia, spoke in favor of the island at the General Assembly.

At the national level, the editorial says, the context is the largest international fair ever held in Havana, with a record participation by foreign enterprises, only a few days after the closing of a corporate forum sponsored by the British magazine THE ECONOMIST, and on the eve of the conference that will bring the nation and the emigrants to a meetiag.

There is also the outstanding announcement that the economy is growing 2.3 percent, something that according to the newspaper, confirms the validity of the guidelines and of the decision to resist, a background, that permits forecasting the end of a "crazy cold war policy."

However, the editorial says, since U.S. policy is dictated by local interests and traditionally disregards the opinion of the rest of the world, we Cubans do not expect miracles from the discussion in the near future of "two anti-Cuban bills promoted by the ultraright" of the country to the north.

For the fourth year in a row, the UN General Assembly has approved a resolution presented by Cuba against the blockade. In 1994, the voting was 101 in favor of ending the blockade, two against (the United States and Israel), and 48 abstentions.

Dissident Roca Views Nation's Problems

PA0411032995 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 30 Oct 95

[Interview with Vladimiro Roca, president of dissident group Democratic Socialist Current, by Radio Cadena

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Sonora owner Roberto Castaneda; place and date not given; from the "Sonora Newscast" — recorded]

[FBIS Translated Excerpt] [Castaneda] Listeners: We have the privilege of interviewing Vladimiro Roca, a socialist politician. He is president of the Democratic Socialist Current [Corriente Socialista Democratica Cubana] of Cuba. We have heard much of him lately because he is an open critic of the Fidel Castro regime. [passage omitted]

Cuba is currently enduring a blockade, mostly by the United States, that is even stronger than before. Do you think this blockade will affect Fidel Castro's power in the near future?

[Roca] I do not think this will affect him in the near future. Since the embargo was imposed, it has affected only the people. A tightening of the embargo will worsen the people's living conditions. Fidel Castro's position is not affected much. Right now, Castro could be spending 80 cents of every dollar he gets on his repressive government. If the embargo is tightened, he will be spending less on the people and much more on repression until the day he spends all revenue on repression, because he will have no other choice. He has to keep the people bridled. This is why I think the embargo affects the people much more than the Fidel Castro government.

[Castaneda] You live in Cuba. Do you want to leave? Are you being prevented from leaving? What are your activities as a dissident of the Fidel Castro regime?

[Roca] I have few activities. All I can do, basically, is write and grant interviews. I can do little else because I was fired from my job because of my opposition to the government. I am not allowed to work in Cuba. I have tried to leave on several occasions with the intent to come back. I have received invitations from Mexican organizations, Sweden, Belgium, France, Spain and several other countries, but the Cuban Government has always refused to let me travel abroad and return. The government says that if I want to leave, I can do so, but on a permanent basis. This is not what I want. I believe that the struggle must be waged at home. Struggles can be waged abroad, but it is not the same. Results are secured when the struggle is waged inside the country.

[Castaneda] Is there a possibility of the Cuban people getting tired — after 36 years, if I am not mistaken, of the Castro regime — of privation and economic restrictions? There is a dictatorship here. I do not have to state the obvious. This is a leftist dictatorship. The world is changing. The socialist camp is changing, and I believe there should be more of an opening for the Cuban people. Will Fidel Castro be around for a while?

[Roca] I believe so, if we are to wait for pressure from the people to get results. Results are possible only if all the governments of the world decide to give Fidel Castro the freedom to swim alone against the current, since this is what he wants to do. If this happens, then the people's patience could reach its limit. But for the time being, I do not see this happening for one simple reason: More than 40 percent of the young born during the Revolution are thinking about emigrating and not about resolving the problems in Cuba. As the situation deteriorates, they will try to leave faster and head for any point in the world to get rid of their problems, but they are not going to solve Cuba's problems. This situation is very much like that of Haiti. [passage omitted]

[Castaneda] I think this means intervention.

[Roca] I would not like to see it, but it could happen, either to remove Fidel or to restore order. If Fidel dies without an agreed upon transistion, there will undoubtedly be a terrible bloodbath, because just about every Cuban here wants to get even with someone.

[Castaneda] This would be similar to our civil war in El Salvador, where families were dispersed by the millions and went to the United States, Australia, Sweden, and Canada.

There are many Cubans in Miami who want to return and to invest. I have spoken with them in Florida. Apparently, the Fidel Castro regime has flatly said they can invest but cannot live here.

[Roca] That is not so. As President Castro said during the debates on the Investment Law, those who have not committed any action against the Revolution, that is, those who have committed no action against him, will be allowed to live in Cuba if they want to establish themselves there. Those who accept his rules can come to live and invest in Cuba.

I believe that the best way to move closer toward bringing an end to the Castro government is to make a broad opening, as the Nixon administration did with regard to the Soviet Union. The fall of the socialist camp began because of Nixon's opening to the Soviet Union.

I witnessed this process because I used to travel to the Soviet Union once or twice a year, and I observed how the situation deteriorated completely. Socialism, and this is also the case with Fidel Castro, has nothing to offer the people.

What is beginning to happen shows that the regime has reached its limit. This is what happened in the Soviet Union. In Cuba also there are fairs that exhibit the achievements of socialism, but as the capitalists say, stores, not fairs, are the best place for exhibiting the

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achievements of a country. The fact is that the Soviets had goods in fairs but not in stores.

The people's observance of what was offered by one system as opposed to another is what caused the deterioration of the situation. [passage omitted]

[Castaneda] Summarizing, and to conclude, Mr. Vladimiro Roca, you believe that an internal uprising is impossible at this time and that the way to remove Fidel Castro from power would be through U.S. intervention. This would be regrettable because an intervention in another country is a pleasant thought. Anyhow, Mr. Vladimiro Roca, I would like for you to send a message to the listeners of Cadena Sonora of El Salvador.

[Roca] Learn from our experience and struggle hard to maintain democracy and tolerance in El Salvador. Prevent leftist radicals from leading the country to a chaos like the one to which we have been led. Avoid this by all means. Preserve democracy. This is the guarantee of progress.

Further Reportage on National Emigration Conference

Foreign Minister Inaugurates

PA0411162295 Havana PRENSA LATINA in Spanish 2327 GMT 3 Nov 95

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 3 Nov (PL) — Cuban emigres and government officials began here today discussing topics of bilateral interest in the first session of the second "The Nation and the Emigration Conference."

The new version of this dialogue (the first conference was held in April 1994) seeks the normalization of ties between the Caribbean country and its nationals living abroad.

The two panels which began discussions are those dealing with "Policies toward Emigres" and "Economic Activity in Cuba." Foreign Minister Roberto Robaina and Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], participated in the first panel, while Osvaldo Martinez, leader of the economic commission of the ANPP, participated in the second one.

More than 300 Cuban emigres participated in the discussions after attending the inauguration ceremony, in which Robaina stressed that the commitment to normalize ties is irreversible and that the important goal is for Cubans to be able to make progress at every meeting so that the day will come when these conferences will not be necessary anymore.

Robaina recalled the increase in the number of contacts and exchanges among Cubans living on the island and abroad, "above beliefs, active memberships, or personal aspirations." Robaina said: "You have arrived in a Cuba that is under a much heavier attack and embargo than the Cuba that welcomed you last year."

However, this Cuba is also totally different, he added, stressing that the 11 million Cubans who work cheerfully and relentlessly on the island have enabled Cuba to face such difficult trials and still recover.

Robaina announced that Cuba will continue demanding in every international forum the right of emigres to have free relations, without any coercion or condition, with their family and motherland.

He also referred to those who, in addition to condemning the blockade, speak about the promotion of reforms that benefit their own precepts and political aspirations, emphasizing that that is a sovereign right of the ANPP and the Cuban voters. Therefore, he pointed out, it is a political illusion to advocate otherwise.

Robaina said that the relationship between Cuba and the emigres cannot lose sight of the fact that, internationally speaking, Cuba lives in a dangerous neighborhood, and that this has not changed in 36 years even though Cuba has not stopped making all kinds of transformations during this period.

The emigres also listened to Economy Minister Jose Luis Rodriguez, who presented a summary of the results Cuba obtained following the transformations that have been made.

Rodriguez, who is also Vice President of the Council of Ministers, said that this year the Cuban economy is expected to grow by 2.5 percent, and that the country has already reduced its budget deficit by 33 percent compared to 1993.

Rodriguez stressed the recovery of the productive sectors, the increase in foreign investment, the decentralization of foreign trade, the progress made in cooperative agriculture, and the 24 percent reduction — up until last month — of the cash in the hands of the people.

After announcing that the future activity of small- and medium-sized state and private enterprises is under study, Rodriguez said Cuba is optimistic regarding the outlook for 1996, "but it will never renounce the state's active economic role, because public enterprises represent the interest of the majority."

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Alarcon on Emigres-State Relations

PA0411180995 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Nov 95

[Zenaida Gonzalez report in the "National Radio News" newscast]

[FBIS Translated Text] The United States is the country with the largest number of Cuban citizens living abroad. This community has been described as heterogeneous and for the past three decades there have been extremist positions, political differences, and pressure as a result of historic differences between the United States and Cuba that have had a direct influence in the migratory relations between the two countries.

Ricardo Alarcon, president of the National Assembly of the People's Government, has given us his opinion.

[Begin Alarcon recording] We must say that the migration issue is, probably, the first weapon the United States used against the Cuban Revolution. It was first used on 1 January 1959 when, in violating its own laws, the United States accepted the Batista followers who arrived there and that country introduced a new policy that offered privileged treatment to Cuban emigres to take away our experts and then promote internal destabilization, implementing on one hand, an adjustment law for Cuba and, on the other, offering material and political support that no other group of emigrants has had in the United States and using Cuban emigrants — we must recall this — against the Cuban Revolution. [end recording]

With time, the position of the Cuban emigrants in the United States has changed and there have been significant steps in migration relations that make evident signs of a will to normalize relations in spite of an antagonic climate between Cuba and the United States.

[Begin Alarcon recording] As poisoning and manipulative U.S. policies that use emigrants against Cuba disappear, there will be a more favorable atmosphere for more normal relations between the fatherland and the emigres. [end recording]

The fatherland and its emigrants are on the road to a normalization of relations, on the eve of the second conference between the emigrants and the nation.

Minister: 'Feasible Utopia' Necessary

PA0411181395 Havana PRENSA LATINA in Spanish 2155 GMT 3 Nov 95

[FBIS Translated Text] Havana, 3 Nov (PL) — Jose Luis Rodriguez, vice president of the Council of Ministers and economy minister, today said that Cuba insists on materializing a feasible utopia and does not fear dealing with a market or the inequalities it imposes.

Rodriguez talked to more than 300 Cuban guests who participated in The Nation and Emigration Conference, held in this capital as part of the project being develop to normalize the relations among the country and its nationals living abroad.

The minister pointed out that, following the changes the government made, the Cuban economy must grow by 2.5 percent this year. Cuba already reduced its budgetary deficit by 33 percent, as compared to 1993 figures.

In his opinion, this improvement stemmed from the Cuban people's ability to resist, despite the North American blockade, and to rally around a major solidarity, which allowed painful adjustments without doing away with the national project principles.

Rodriguez underscored that this project had no room for neo-liberalism, social spending reductions, or a reduction in the state's decisive economic role as everybody equally shared the cost of the crisis.

In listing the decisions made, Minister Rodriguez pointed to the decentralization of the foreign trade sector in which there already are more than 150 institutions or companies operating, not counting the joint ventures formed with foreign capital.

He talked about the foreign investments increase in such sectors as the tourist, nickel, oil, and telecommunications sectors; the halt in the decapitalization process of these sectors; and the attainment of resources necessary for the development of, among others, the tobacco, citrus fruits, and sugar productions.

He also talked about the advancements in the process of changing the agricultural sector into cooperatives [cooperativizacion] — 64 percent of the land has been incorporated into this process; the handing out of plots to families to grow certain crops, thus eliminating idle areas; and the increase in the food supply to the people through the operations of the farmers markets.

The economy minister announced that the future activities of small- and mid-scale state-owned and private companies are being studied and explained that the public finances cleansing has enabled the state to reduce the amount of liquidity in the hands of the people as of October by 24 percent and to contribute to reappraising the national currency.

We are optimistic about the 1996 prospects, even though we are still quite far away from where we have to be regarding the economic and social development. We are seeking new planning methods, because we now have

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state-owned, mercantile, mixed, private, and other types of properties, Rodriguez said.

Finally, he denied that Cuba has renounced to the position in which the state plays a guiding role in the economy, because the state-owned enterprises must be efficient since they represent the interests of most people.

Minister Views Economic Growth in 1995

PA0411201395 Havana Radio Havana Cuba in Spanish 1300 GMT 4 Nov 95

[FBIS Translated Text] Cuban Economy and Planning Minister Jose Luis Rodriguez has said that economically speaking, the country will grow by 2.5 percent by the end of the year. Rodriguez participated in the evening session of the second Nation and Emigration Conference that opened Friday in Havana with the presence of 335 Cubans who live abroad plus the local hosts.

The Cuban minister said the state will promote the creation of small- and medium-sized state and private enterprises.

He also referred to growing foreign investments, which now are above $2.1 billion. He praised the new Foreign Investments Law noting that it is more flexible and clear than that of other countries.

On Friday morning, Foreign Minister Roberto Robaina had greeted the visitors and said that this conference has gathered those who have chosen to be at the side of the fatherland at a moment Cuba needs them most. He noted that the 11 million Cubans who live in the island have made it possible for Cuba to resist and to reach its current economic level.

Emigres, Officials Exchange Views

PA0511003695 Havana PRENSA LATINA in Spanish 0128 GMT 4 Nov 95

[FBIS Translated Text] Havana, 3 Nov (PL) — The working panel that discussed "emigration policies" today exchanged many views during the conference held here by government officials and Cubans living abroad.

Emigres living in Mexico, Venezuela, the United States, and other countries delivered speeches to voice their opinions and give ideas on how to normalize relations between Cuba and those nationals who live outside of the country.

For more than 30 minutes, in one of the most controversial speeches of the day, Eloy Gutierrez Menoyo spoke about what he considers the changes most needed in the reform process in Cuba.

Gutierrez voiced his opposition to the current Cuban reality and requested modifications in the existing institutional system.

Meanwhile, Andres Gomez referred to the need for the emigres to gain the confidence of the Cuban people to again join the fight to "save lives."

Other participants talked about different aspects of bilateral interests, such as citizenship issues, the easing of migratory travel, and the problems triggered by the negative provisions the U.S. Government has made in this regard.

Foreign Relations Minister Roberto Robaina explained that the relations with the emigres will never be considered normal as long as relations with the countries they live in are not normal, clearly alluding to the conflict with Washington.

Robaina recalled that there has not been any modification whatsoever in the White House's policies on Cuba since the meeting held in April 1994. He favored listening to all opinions as long as they are voiced amid respect for the country and its institutions.

Responding to reporters' questions at the end of the meeting, Gutierrez said he was pleased to have been able to freely voice his opinions, which, he said, helped to instill validity and strength to the conference, adding that we have advanced along the path to broadening ties.

This shows that friends and foes alike can come here and that those who did not come, did not want to come, he pointed out.

The debates will continue tomorrow with the holding of other panels that will discuss "migration policies and citizenship, national culture and identity, associations formed by Cubans living abroad, and the emigre and his surroundings."

Robaina Urges Lifting Ban on Emigres

PA0511012795 Havana Radio Rebelde Network in Spanish 1800 GMT 3 Nov 95

[From the "National Radio News" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina this morning welcomed about 340 Cubans residing in more than 30 countries who attended the inauguration of the Second Nation and Emigration Conference. Maria Elena Alonso filed this report from the Convention Palace:

[Alonso] Robaina recalled April 1994, when many of those who are here today also attended the first conference. Today's Cuba, he added, is more persecuted and besieged than ever, but it is different than the Cuba

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of April 1994. This is why today, more than ever, we must deal a definitive blow to those who for more than a three decades have imposed true terror, true censorship, a one—track mindset, and a one-track policy of enrichment:

[Begin Robaina recording] It is curious — now that we have reached an agreement with the government of the country where the largest number of our emigres live and after our determination to implement a policy of achieving normalcy has been confirmed — that the regulations, bans, and obstacles are being increased by the other party.

I assure you that, henceforth, our government will not cease to demand — before any international forum, as we have done at the United Nations for the past two years — respect for the rights of our emigres to maintain free relations with their families and their fatherland, without coercion or conditions. [applause]

At this forum we reaffirm that we will continue to work to ensure the lifting of bans imposed on our emigres in the United States, but it is there where the affected themselves must carry out the most important task. Moreover, now is the time for this until now silent majority — the thousands of true Cubans who live abroad — to make itself heard. This voice should become one, and the truth should be heard over the microphones and advertisements paid for by mafia money.

Now is the time to show the world and the international public the true feelings of Cubans, who for the most diverse reasons are living today in other countries but who refuse to continue fueling the selfish interests of a few who have made counterrevolution and servile annexation their greatest concern and who have placed this even above the interests of the country where they were born. [end recording]

[Alonso] The chief of Cuban diplomacy described as a macabre show and buffoonery the race unleashed by the alliance of U.S. ultrarightists and conservatives with a species that he termed the Cuban-American mafia.

[Begin Robaina recording] I do not wish to open up the old wounds of those who have vindicated themselves before history and their people with the passage of time and through their persuasive actions throughout their lives and who could even be present in this room. I only want you to convey the news to the others, to those who are clinging to the past. Tell them that they are wrong again. If the issue is claims, we too have drafted a list supported by history. If that legislative freak, which already bears more U.S. surnames than any Miami street, is approved, we will add to the compensation of $45 billion for losses caused by the blockade compensation for structural damage caused by aggressions, terrorism, sabotages on agriculture, industry, and commerce, and the seizure and trafficking of bank funds, trademarks, and patents. We will demand the return of the hundreds of millions of dollars stolen from the public treasury. We will demand compensation for material losses, because precious lives are irreplaceable to the families of more than 20,000 Cubans killed by the Batista tyranny and the hundreds of thousands who were tortured, injured, or affected by the pre-1959 repression and the terrorism unleashed after that year.

This is the reasoning that Cubans on the island present to those who due to a mere geographical accident were born here but who were denaturalized a long time ago. This is the answer we give to those who do not matter. We never excluded them; they excluded themselves; they simply stopped being and thinking as Cubans. [end recording]

[Alonso] Another important development during the inauguration of The Nation and Emigration conference was the speech by Economy Minister Jose Luis Rodriguez, who gave an overview of the economic situation in Cuba. The first two panels of this meeting on the emigration policy and economic activity in Cuba will close this afternoon.

Alarcon Comments on Migration Issues

PA0511023895 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Nov 95

[Report by Eneida Gonzalez and Maribel Alonso; from the "National Radio News" newscast]

[FBIS Translated Excerpt] The topic, migration policies and citizenship, allowed Ricardo Alarcon de Quesada, Cuban National Assembly of the People's Government [ANPP] president, to explain the impact of the historic differences between Cuba and the United States in the migratory relations between the two countries.

[Begin Alarcon recording] The Republic of Cuba has defended and will continue to defend itself in all spheres. This is one of the main reasons why [words indistinct] concocted and invented about the Cuban Revolution. Thus, we cannot talk about Cuba as if it were a an idyllic country or another country. Cuba is the only country being subjected to a vicious blockade. Cuba is the only country against which the only superpower on the planet is applying a policy to attempt to destroy its political and social system. Cuba is the only country that in more than 35 years [words indistinct] a strategy that uses, as one of its fundamental

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elements, the manipulation of something that is normal and universal: The migration issue. [end recording]

In addition to the Cuban ANPP president's views, the emigres also expressed their opinions. [words indistinct] John Cabanas, who is president in Miami.

[Begin Cabanas recording] It is exactly what we have been saying. This entire problem has to be viewed as a problem caused by the migration policy against Cuba. It is a product of a state policy. Of course, as comrade Alarcon has stated, Cuba cannot open its doors and windows excessively either, cannot implement an excessively open migration policy, until such conditions are normalized and the United States lifts the embargo and treats Cuba as another country in the international community, with all the rights and privileges and with respect for its sovereignty. No, here things, the doors and windows, are going to be regulated, because this is a free and soverign nation. The Cubans, logically, have to defend themselves if there is a policy against Cuba. Furthermore, there are many Cubans in Miami who are truly enemies of Cuba and the Cubans and that are in the [word indistinct] [end recording] [passage omitted]

Government Ratifies Investment Agreement With Italy

PA0511003595 Havana PRENSA LATINA in Spanish 0402 GMT 31 Oct 95

[FBIS Translated Text] Havana, 31 Oct (PL) — Cuba and Italy today exchanged notes ratifying the agreement for a reciprocal promotion and protection of investments, which was signed in May 1993, the first of its kind to be signed by the island.

Cuban Foreign Investment Minister Ernesto Melendez and Italian Ambassador Giovanni Ferrero exchanged the notes in the presence of Carlos Lage, secretary of the Executive Committee of the Council of Ministers. The ceremony took place at the Italian Embassy in this capital.

Addressing more than 80 Italian businessmen who are here to participate in the 13th International Havana Fair, Lage attributed much importance to the agreement ratified by the two governments to create conditions favorable to the introduction of foreign capital into the Caribbean nation.

This agreement, he said, has served Cuba in the drafting of similar agreements with other countries (Cuba has already signed eight others with its foreign partners).

Trade with Europe and European investments have turned the Old Continent into Cuba's most important commercial partner at this moment, Lage noted and recalled that Italy, in particular, has always been an outstanding partner.

Havana Subscribes to International Customs Conventions

PA0511020595 Havana PRENSA LATINA in Spanish 2142 GMT 3 Nov 95

[FBIS Translated Text] Havana, 3 Nov (PL) — Cuba today subscribed to three of the most important conventions of the World Customs Organization [Organizacion Mundial de Aduanas — OMA] by delivering the respective protocols to OMA President James Shaver.

National Customs Director Pedro Pupo delivered the protocols during the closing ceremony of the 16th Ibero-American Meeting of National Customs Directors. Pupo told PRENSA LATINA that this decision is part of Cuba's strategy to enter the world trade picture.

The protocols, which were signed by President Fidel Castro, make Cuba a signatory to the international conventions on a unified system to classify and codify goods and to simplify and harmonize tariff systems.

Along the same lines, Cuba increased its ties with the OMA by signing the International Convention for Mutual Assistance to Prevent and Minimize Infractions. This convention pays special attention to the struggle against drug trafficking.

Pupo said that the current goal of the National Customs Directorate — which will be the subject of a new law soon to be issued — is to facilitate and give new impetus to trade, to combat drug trafficking, and to contribute to regional integration in this vital sector of the economy.

For his part, Shaver urged the authorities present to participate more actively in the OMA and to make a special effort to retrain personnel and carry out a technological upgrade of the sector.

Customs cooperation as a vital element for regional integration and confronting drug trafficking, as well as other topics, were discussed during the five days of the meeting held in Havana's Melia-Cohiba Hotel.

On the first topic mentioned, the Mexican delegation reported its experiences with the Free Trade Agreement reached with the United States and Canada, while the Argentine delegation gave an account of its experiences with the Common Market of the South (Mercosur).

Pupo said that on the topic of drug trafficking, half a day was devoted to an analysis of the experiences of Cuba, a nation that is carrying out an active struggle against that scourge even though it is not a social problem here.

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Asked about the new customs legislation, Pupo said that this meeting of national directors here shows that the draft that is under study meets international requirements and will help the economy to take off more rapidly.

In addition to the 20 customs directors who attended (all the member countries except Colombia and Haiti), there were representatives from the Latin American Integration Association (ALADI) and the Permanent Secretariat of the General Treaty for Caribbean Economic Integration [Secretaria Permanente del Tratado General de Integracion Economica en el Caribe].

The Inter-American Development Bank, the UN Conference on Trade and Development, the OMA, and the Caribbean Council for the Implementation of Customs Laws [Consejo del Caribe para la Aplicacion de Leyes Aduaneras, CCALA], also participated in the meeting, and guests from Great Britain, Canada, France, Bermuda, and Trinidad and Tobago participated as observers.

Commentary Views Cooperation Pact With European Union

PA0511161595 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Nov 95

[Commentary by Roberto Morejon]

[FBIS Translated Text] The arrival of a European Union [EU] high-level delegation in Havana next Monday should play a significant role in the signing, later, of a cooperation agreement with Cuba, the only Latin American country with which this organization has not signed such an agreement.

The Spanish Foreign Ministry, the country which presides over EU, has said that the purpose of the delegation is to open a political dialogue with Cuba based on a declaration approved in Luxembourg on 2 October. At the time, the EU's Council of Foreign Relations Ministers agreed to make contacts with Cuban authorities and (?organize) the trip of an official delegation. The group will consist of members of the so-called troika, this is to say, of the past, present, and future EU presidencies, which correspond to France, Spain, and Italy.

The visitors will pay particular attention to the nature and scope of the economic changes introduced in Cuba as part of its strategy to incorporate itself, under better conditions, in the present world, which is marked by the dominance of capitalism and neo-liberal trends.

EU's desire to initiate contacts with Cuba with an eye on a later cooperation agreement fits the policy of the organization and its members of keeping fluid relations with Havana. This position cannot be separated from that of the European countries which refused to endorse the U.S. economic embargo against Cuba. Nineteen area countries, EU member countries and otherwise, voted yes to a resolution proposal against the embargo which presented by Cuba during the 50th UN General Assembly's period of sessions. Only three countries abstained. The proposal, which is an attempt at putting an end to Cuba's isolation, was finally approved by 117 to 3, while 38 abstained, and dealt a heavy blow against the U.S.' marked hostility against the island.

It is true that the EU holds a particular view of the political model endorsed by the majority of Cuban people, but the EU representatives talk with the Cuban Government from respectful positions. Cuba has reiterated its purpose of maintaining normal relations with EU and expressed confidence that the talks, soon to open to decide the terms of future cooperation, will take place, as usual, in a framework of mutual respect.

Sugar Agreement Signed With Mexico, Canada, Germany

PA0411185595 Havana Radio Havana Cuba in Spanish 1300 GMT 4 Nov 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuba has signed with German, Mexican, and Canadian firms agreements that will guarantee the arrival of supplies needed by the Sugar Ministry for the forthcoming harvest.

The contracts were signed by Ferrimport [Cuban Enterprise for Importing Hardware], a Cuban entity that imports hardware, during the 13th International Havana Fair. Ferrimport Director (Alejandro Mustelier) said the agreements assure the acquisition of special welding material and perforated plates needed by Cuban sugar mills to put all their machinery in optimum conditions.

Correspondent Reports on Agricultural Market Prices

PA0511193895 Havana Radio Rebelde Network in Spanish 1255 GMT 26 Oct 95

[Report by Ulises Hernandez Ortiz from the "Doing Radio" newscast]

[FBIS Translated Text] In Havana, prices remain high in relation to salaries. Workers complain that their salaries are too low and vendors and sellers advance similar arguments. I think everything or nearly everything yields a profit. In the province of Havana, the nearest to the capital, the number of pigs has decreased, and this is all the more remarkable at this time near the end of the year when prices usually go up.

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I know people who cross the province of Havana day after day riding tractors or trucks with a suitcase full of money and seeking bargains. We must keep in mind, friends, that although the markets brought benefits, they spawn, feed, and sustain a new social class, those with money. The members of this social class meet, talk, and even agree not to lower the price of a product. I think higher production and the number of people who buy at agricultural markets, basic cooperative production units, enterprises, and other agencies will help in attaining balance.

Some inspectors are not being very careful. There are people with little training and who are not very professional. The economic discipline regarding agricultural markets, restaurants, and other variants of self-employed work has relaxed, although measures are being applied to change this situation. Also, Garrido, a proposal has been presented by the members of the Labor Youth Army to sell at even lower prices in some places in Havana. But this is still not enough.

Although the province of Havana has serious plans for the production of greens, vegetables, and grains, the current production is still insufficient to meet the demands of the capital. The subject is broad, very broad. I propose to continue to do radio and maybe we will talk again on this subject some time later in the year.

Tobacco Planting Begins in Pinar del Rio Province

PA0511194095 Havana Cuba Vision Network in Spanish 0100 GMT 4 Nov 95

[Report by Manolo Rodriguez Salas From the "NTV" newscast]

[FBIS Translated Text] According to information released by an Agricultural Ministry deputy delegation which oversees this crop in the Vuelta Abajo region, the 11 Pinar del Rio Province municipalities dedicated to tobacco growing have already begun planting tobacco for the 1995-96 campaign. The source indicated that the late September heavy rains, and the continuing intermittent rains, caused the loss of a large number seedling plots, which by this time would have provided seedlings ready for planting. Meanwhile, there have been delays in preparing the soil.

Of the 3,550 caballerias which are scheduled to be planted in the current nationwide campaign, 2,500 caballerias correspond to Pinar del Rio Province, 2,425 of which have been already contracted. Contractual work continues. The contracts need to be revised regarding the tobacco yield to which planters have committed themselves which establishes an average of 216 quintals per caballeria — far below the potential of the Vuelta Abajo soils.

In a recent visit to Pinar del Rio Province, Carlos Lage Davila, member of the Communist Party of Cuba's politburo, secretary of the Executive Committee of the Council of Ministers, regarding this particular issue, emphasized the need to revise that provision in the contract with tobacco planters.

[Begin Lage recording] It seems to me that the effort which the country must make, and which the country has made, under current conditions — when there is scarcely money for cooking fuels, and kerosene is not being distributed, and when we are distributing convertible pesos as a incentive for tobacco planters — is not for a yield of 200 quintales per caballeria, but for the planting of 2,400 caballerias and a much greater yield. [end recording]

Therefore, Pinar del Rio Province residents face a challenge in the current campaign: To produce more, better quality tobacco, and a much greater yield.

Commentary Views Powell's Presidential Ambitions

PA0511204495 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Nov 95

[Commentary by (Ignacio Canel) from the "Evening Information Review" newscast]

[FBIS Translated Text] The only political figure that has been able to gain certain notoriety among those who would reportedly confront President William Clinton's reelection ambitions is retired General Colin Powell, a hero in the sophisticated and much-televised Gulf War waged against Iraq.

The opinion polls on the 1995 general elections put him in the first places of popularity. Even though he is linked to the Republican Party for having become notorious during the administration of President Bush, Gen. Powell is an independent contender of the nation's presidency. It was even believed that he was going to support Texan millionaire Ross Perot, who ran as an independent candidate in the previous elections. However, there are no indications — so far — that this is the case.

The scenario the U.S. political forces currently show is that of a President Clinton strengthened by his better performance since his mid term and by a personal charisma that his main opponents lack. On the Republican side, not a single contender shines on his own. They are all ultrarightist dinosaurs associated to the least popular causes of the political arena.

Then, there is a so-called third option that could attempt to capitalize on the voters' widespread nonconformity with the two traditional parties. Perot and Gen. Powell

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are floating in these troubled waters. The latter has against him — no one can ignore it — the fact that he is black, in a country deeply marked by racism and intolerance. Powell's virtues are precisely those emanating from the fact of having been the first black person who became commander in chief of the U.S. Armed Forces in the history of this country. It was a significant step in the right direction; however, it is insufficient to overcome the racial prejudice deeply rooted in the United States.

His election would undoubtedly strengthen the democratic ideology of that country, even though his own ideology is not yet on the side of the progressive forces, as it should be. To his favor, we could mention his prominent performance in the most recent imperialistic war, which was highly sophisticated and propagandized to promote the U.S. military might. We are unaware of other civic merits, nor has he had a previous political career that could have allowed him to show these merits to the people. However, his image has emerged strongly and could be a significant factor in the upcoming general elections, in which the tenure of power will have to be decided between the ultrarightist forces, headed by the Republican Party, and the most moderate sector, represented by President Clinton. The emergence of a third electoral force could favor this sector.

Authorities Repatriate 87 More Haitians

PA0611015995 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Oct 95

[Report by Jose Mejias; from the "National Radio News" newscast]

[FBIS Translated Text] A total of 87 Haitians have just been repatriated back to their country. They are part of a group of 138 Haitians who arrived in Cuba last August after their boat broke down on their way to the United States. They had to seek refuge in the northern coast of Camaguey Province. The other 51 Haitians were returned to their country in a similar operation on 11 October as part of a group of 280 Haitians who had landed on Cuban coasts because of problems with their boats or bad weather during their trip to the United States, where they had hoped to be employed as cheap labor.

In the last 15 years, Cuba has provided free medical treatment, food, lodging, clothing, shoes, and other forms of assistance to more than 70,000 emigres from Haiti, the poorest country in the world.

Haiti

Report Views Changes in Government Team

PA0411002495 Port-au-Prince Radio Metropole in French 1700 GMT 3 Nov 95

[From "The Midday Newscast"]

[FBIS Translated Text] At least six ministers of the Smarck Michel government will not be part of the new governmental team Claudette Werleigh will head. This cabinet should have one minister less than the previous one.

The Interior and Defense Ministries have been merged, and several ministers have not been renewed, as is allegedly the case with Marie-Michele Rey who has headed the Finance Ministry since the arrival of the Lavalas government in 1991. Jean-Marie Cherestal will be the next economy and finance minister. Cherestal is the current cooperation minister.

Prime Minister Werleigh may continue to head Haitian diplomacy; that is, she may continue to be the foreign minister.

The current defense minister, General Wilthan Lherisson, should head the Interior and Defense Ministries [sentence as heard].

Myrtho Celestin should head the Education Ministry, replacing Emmanuel Buteau. Celestin was social affairs minister under the Preval government in 1991.

Rudolph Malebranche has reportedly been called to replace Jean Moliere at the Public Health and Population Ministry. Malebranche is the current general director of the National University of Haiti Hospital.

Roger Perodin might keep his post at the Commerce and Industry Ministry, as is the case with Henri-Claude Menard at the Information and Coordination Ministry; Mathilde Flambert at the Social Affairs Ministry; Lise Marie [first name as heard] Dejean at the Women's Affairs Ministry; and Fritz Casseus at the Ministry of the 10th Department.

Changes should take place at the following ministries in the new governmental team: public service, public works, transports and communications, and agriculture.

We also have learned that all state secretaries have allegedly been renewed within the new ministerial cabinet.

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Werleigh's General Policy Statement Postponed

PA0511231895 Port-au-Prince Radio Metropole in French 1700 GMT 3 Nov 95

[From "The Midday Newscast"]

[FBIS Translated Excerpt] The new prime minister, Claudette Werleigh, will not be at the Senate of the Republic today for her general policy statement, as previously announced. The session has been postponed. According to the Senate president, no preparations have been made for this session, which might meet on 5 November. The designation of the new prime minister was ratified by both chambers on All Saints' Day, 1 November. Jean Edner is going to talk to us about the ratification session.

[Edner] Fourteen senators ratified Werleigh's appointment in 15 minutes on All Saints' Day. It was a brief session with just the required quorum to vote on the unique agenda topic: the report of the commission in charge of assessing the documents presented by the prime minister-designate under [words indistinct] five of the Constitution. [passage omitted]

The ratification vote would have been unanimous if Sen. Jean-Robert Sabalat had not dissociated himself from the assembly's position and abstained from voting. The senator expressed his reservations about the current government's decision to change the government team only a few months from the presidential deadline. [passage omitted]

The Senate confirmed the same decision reached by the Chamber of Deputies, making Werleigh the first woman ratified as prime minister. We have learned from generally well-informed parliamentary sources that the prime minister should present her general policy statement before the parliament assembled in separate chambers. In the meantime, the profile of the next government should be known.

Werleigh Outlines General Policy for 'Reconstruction'

PA0511231395 Port-au-Prince Signal FM Radio in French 1130 GMT 3 Nov 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The prime minister-designate, Claudette Werleigh, has announced her general policy. She outlined the policy during an interview she granted to the Voice of America last Tuesday. Werleigh said she wants to work toward the reconstruction of the country. She wants to pay close attention to illiteracy, health problems, and particularly the high cost of living.

[Begin Werleigh recording, in Creole] I am really determined to have a team working together to face the current situation and make it right. This means rebuilding Haiti [words indistinct] always listening to the poorest masses, because there will be no development or social change as long as the masses are enduring problems, whether the problems have to do with food, work, health, and so on. [end recording]

French UN Contractor Shot, Killed 1 Nov

PA0411014595 Port-au-Prince Radio Metropole in French 1700 GMT 3 Nov 95

[From "The Midday Newscast"]

[FBIS Translated Text] A Frenchman was killed in Haiti on 1 November. This Frenchman, (Alain Sif), was working with the United Nations as a civilian, resupplying the forces of the UN Mission in Haiti [UNMIH]. He was killed in Port-au-Prince the night of 1 November while riding in a cab coming from the airport.

(Alain Sif) returned to Haiti after vacationing in France. His cab was attacked en route to Port-au-Prince at about 1800. The cab was attacked by two strangers who most likely wanted to steal the vehicle, according to an explanation of the embassy. The attack turned out badly, and the Frenchman was killed by gunshot.

(Sif), a UN contractor in charge of feeding the UNMIH troops, was an employee of the Army's funds office.

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Reportage on Coup Rumors, Military Support for President

Armed Forces Pledge Allegiance

PA0311211695 Mexico City NOTIMEX in Spanish 0453 GMT 1 Nov 95

[FBIS Translated Text] Mexico City, 31 Oct (NOTIMEX) — The Mexican Armed Forces today expressed their support for President Ernesto Zedillo and adherence to the Alliance for Economic Recovery [ARE] that productive sectors and the government signed on Sunday [29 October].

In a communique, the President's Office reported that National Defense Secretary Enrique Cervantes Aguirre reiterated his unrestricted support for Armed Forces Commander in Chief Zedillo and assured that the Armed Forces will keep on their true course. "No one has the right to lose confidence in Mexico. We are at the orders of this great and persevering people and their legitimate president," Cervantes Aguirre said.

During a private meeting in Los Pinos presidential building, Cervantes Aguirre told Zedillo that the Armed Forces pledge their word to endorse ARE.

ARE, signed by the government and productive sectors, includes salary raises and higher public service rates, as well as lower governmental expenditures, among other aspects, to assist in the recovery of the national economy. This alliance, Cervantes Aguirre said, involves the will and discipline of the society and the government, but particularly a great sense of responsibility of the productive sectors toward the country.

Cervantes Aguirre further said that the crucial importance of this commitment is to give impetus to political progress for a more complete democracy and the consolidation of public freedoms so the majority of the people can recover and improve their standards of living. "The economic crux of the matter is action for the country. The Armed Forces will not spare their presence, position, willingness, and action to effectively and eagerly assist in the recovery," he said.

He also said that this support for Zedillo is sincere and vigorous because the imbalances that have hurt revenue, jobs, and production sources must be corrected under his leadership.

In his speech, Zedillo said that this support confirms the Army's support for Mexico, its identification with the country's principles and aspirations, and unity in their mission to defend the homeland and work for its glory. He pointed out how important it is for the Mexican people to remain united, with clear objectives and firm decisions, to accomplish the marked strategies.

Zedillo said that in this alliance the Armed Forces set an example of unity and trust because their roots and vitality reside in the people themselves, where the Armed Forces' capability to serve the country is strengthened.

Zedillo said he carried with him a message of recognition of the Mexican people for the distinguished role that the Armed Forces have played in the most recent events.

He also said that the Armed Forces are up to the challenges that the country confronts at present, challenges that include working with unity and devotion for the economic recovery, reinforcing democracy, and stimulating harmonious coexistence among Mexicans.

Finally, Zedillo underlined the need to build a better future with opportunities, prosperity, and justice always to strengthen the country's sovereignty.

President Discusses Military Role

PA0311204695 Mexico City LA JORNADA in Spanish 1 Nov 95 p 21

[Report by Ruben Aleman Aleman]

[FBIS Translated Text] As President Ernesto Zedillo received the support of the Army and the Air Force, he stressed that "it is not up to only a small number of people, regardless of how prominent they are, to gain confidence to ensure that our economy will take the path to expansion and growth; a collective participation is also vital in this major task."

At the meeting held at the Alfonso Lopez Mateos Room in Los Pinos presidential residence, the high commands of the armed forces voiced their total support for the Alliance for Economic Recovery (APRE) and listened to the message of the president, who once more urged Mexicans to remain united in the tasks and objectives of the strategies that have been set.

"Now, based on firm and real foundations, we have proposed a gradual, yet sustained economic recovery, thus being able to recover the jobs and the income of the country's working class," he pointed out.

Zedillo pointed to the armed forces' role, because "they constitute an example of unity and trust and because their roots and energy lie in the people.

"The members of the Army, the Navy, and the Air Force have performed silent, effective, noble, determined, timely, and generous work. I am the bearer of the recognition the entire Mexican people feel toward our armed forces," he affirmed.

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President Zedillo also affirmed that the armed forces rise to the occasion of the challenges the country is facing and are working for the economic recovery in a united and devoted fashion. They contribute to the strengthening of democracy and joint resolves to reach peace and harmonious coexistence for all the country's residents.

Meanwhile, Defense Secretary General Enrique Cervantes Aguirre told Zedillo that the armed forces give their word to support the APRE. "We believe that we understand the crucial significance of this commitment, which adds to our country's efforts to promote political advancements toward a fuller democracy and the consolidation of our liberties amid a climate of peace and dignity and to the irrevocable determination to ensure that the large majorities will recover and improve their standards of living."

Gen. Cervantes explained that the economic issue is vitally significant and that we, at the armed forces, "refuse to skimp on presence, attitude, spirit, and actions to effectively and enthusiastically help in this recovery."

Zedillo-Army Conflict Rumor 'Ridiculous'

PA0311194495 Mexico City NOTIMEX in Spanish 1914 GMT 3 Nov 95

[FBIS Translated Text] Mexico City, 3 Nov (NOTIMEX) — Civilian and military sources today described the rumors of a possible conflict between President Ernesto Zedillo and the Mexican Army as "ridiculous" and they assured that the country is in complete calm.

"There is absolutely nothing," Colonel Hector Alvizo, spokesman of the Defense Secretariat, told an international news agency.

"The country is very calm," the military spokesman added.

The news agency also quoted a source of the Presidency who considered the mere existence of the rumor "absurd."

"The idea of any type of difference is absolutely unfounded and groundless," the source added.

Speculation Said Coming From Abroad

PA0311230195 Paris AFP in Spanish 2212 GMT 3 Nov 95

[FBIS Translated Text] Mexico City, 3 Nov (AFP) — Nervousness prevailed in financial and political circles this Friday, 3 November, in view of a wave of rumors that even reached the point of speculation about the resignation of Mexican President Ernesto Zedillo, all of which led to a higher demand for dollars.

According to official sources consulted by AFP, the "absolutely unfounded" speculations are coming from abroad, while the country remains calm.

The wave of rumors included the existence of a coup d'etat, the resignation of Finance Secretary Guillermo Ortiz, as well as the presence of soldiers on the streets and the military occupation of Ocosingo, in the conflict ridden state of Chiapas.

Bank informants said the demand for dollars "unexplainably" increased for a few minutes, causing the 24-hour interbank dollar (traded in private banks) to reach 7.70 new pesos per dollar, closing at 7.03.

The 48-hour interbank dollar closed at 7.39 pesos as opposed to the last closing of 7.29 pesos on 1 November.

The Mexican Stock Exchange hardly felt the phenomenon and closed with a gain of 0.18 percent, reaching 2,310.04 points, gaining 4.12 points. Its weekly balance indicated a gain of 2.85 percent.

A total of 78 stock issuing companies operated in a slow day, in which 24 gained, 36 lost, and 18 saw no change, trading only 38.3 million stocks for 402.6 new pesos (approximately $54 million).

Meanwhile, the Finance Ministry countered the rumors without mentioning them by announcing that Ortiz spent the day working on the revision of the income bill he will submit to Congress shortly.

Rumors Possible Cause of Capital Flight

PA0411004295 Madrid EFE in Spanish 2345 GMT 3 Nov 95

[FBIS Translated Text] Mexico City, 3 Nov (EFE) — The rumors of an alleged coup d'etat in Mexico that have spread in the financial markets might have been the main cause for a flight of capital totaling $400 million, financial sources have told EFE.

According to the sources, rumors of a coup, the resignation of Guillermo Ortiz, secretary of finance and public credit, and alleged clashes between the Army and the Zapatist National Liberation Army were spread early on Friday by groups who manage U.S. investment funds in Mexico.

The sources added that the rumors prompted U.S. investors into trading pesos for dollars, a move which exerted pressure on the market and sparked a 35 cent increase to trade the dollar at 7.85 pesos, a 4 percent

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increase over the 1 November trading day, on the eve of a Mexican holiday.

Report Notes President's Activities

PA0411024595 Mexico City Radio Red Network in Spanish 0000 GMT 4 Nov 95

[Report by Victor Manuel Suberza and anchorman Martin Espinoza from "The Night Monitor" newscast]

[FBIS Translated Text] [Espinoza] We now go to the official residence of Los Pinos. Victor Manuel Suberza is covering the president's activities, particularly the climate at the presidential house this Friday.

[Suberza] It is important to report what the president did during a day like today. It is important to say whom he met and, in particular, to describe what you just mentioned: the climate that prevailed at the official Los Pinos residence today.

The president of the republic worked at Los Pinos today. He carried out a number of private activities. At 1100, he received Health Secretary Juan Ramon de la Fuente for approximately 45 minutes.

A group of members of the National Technological Institute Student Federation arrived at Los Pinos to request an appointment with the federal executive around noon. The students, approximately 50, arrived in a bus that parked outside the official Los Pinos residence. According to Paulino Rivas, the students want to tell the president they want to participate in community programs. He said bureaucratic barriers have distorted the sense of social services and have not allowed them to effectively contribute to helping solve several of the problems that people are experiencing:

[Begin unidentified speaker recording] We want to participate in the social programs. We are young technological institute students and want to join municipal and state governments in furthering social programs to benefit the community. We also want our graduates to be allowed to work in such endeavors. [end recording]

The representative of the student federation in the central area said they will propose at the meeting they will hold with Ernesto Zedillo shortly that the technological students be managed autonomously.

Roberto Campa, the PRI [Institutional Revolutionary Party] leader in the federal district, as well as several media directors also visited Los Pinos today.

Those were the president of the republic's activities during this special day.

[Espinoza] Well, now you have heard it. Everything is peaceful, and the president continues to work at Los Pinos.

Speculation Increases Price of Dollars

PA0411025895 Mexico City Radio Red Network in Spanish 0000 GMT 4 Nov 95

[Report by Antonio Guzman from "The Night Monitor" newscast]

[FBIS Translated Text] [Guzman] The peso was dealt a new and heavy blow in the exchange market today. Around noon, the wave of speculation drove the dollar's purchase price in banks and exchange offices to 7.9 new pesos, which represented a devaluation of nearly 6 percent at the time. This increase in the price of the dollar near the end of the day experienced a slight reduction, and the remaining banks and exchange offices, except for Banamex [National Bank of Mexico], which closed with a sale price of 7.85, sold the dollar at a rate ranging from 7.6 to 7.7 and purchased it at 7.2.

The wholesale quotation for the interbank dollar today reached a peak of 7.75 new pesos per unit due to speculation, but it finally closed at 7.39 new pesos, or 10 cents more than closing figures for 1 November.

The Mexican Securities Exchange also suffered the effects of the All Souls' Day holiday weekend, as operations were slack and the leading stock indicator displayed an alternate behavior of moderate ups and downs, finally closing at 2,310 units; this figure represented a modest gain of 4.12 points, or an increase of 0.18 percent. The weekly balance is positive at a gain of 64.12 points. The volume of traded securities amounted to 38 million, which netted 402 million new pesos.

In addition, the Finance Secretariat disclosed that Finance Secretary Guillermo Ortiz Martinez is still working on a draft of the income bill and the spending budget for 1996, which must be ready for submission to the Chamber of Deputies before 15 November. This information was disclosed through a brief five-line communique.

Last, the Bank of Mexico [Banxico] [words indistinct] of Cetes [Treasury Certificates] for the 28- and 91-day maturity dates only. Banxico has done this for the sixth consecutive time.

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Foreign Secretary Denies Armed Conflict in Chiapas

PA0311223595 Mexico City XEW Television Network in Spanish 0400 GMT 1 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Mexican Foreign Relations Secretary Jose Angel Gurria told reporters today there is no armed conflict in Chiapas:

[Begin recording] [Gurria] As far as I know, we do not have any armed conflict in Mexico. I do not know to which armed conflict you are referring. There was an armed conflict in Mexico that lasted 10 days....

[Unidentified reporter, interrupting] I am referring to the conflict with the Zapatist National Liberation Army.

[Gurria] It lasted the first 10 days of 1994. We did not have any armed conflict for the rest of that month, the rest of 1994, or the entire year of 1995. By no means am I referring to an armed confrontation in Chiapas. [end recording]

Chiapas-Linked Destabilizing Forces Cited

96CA0034A Mexico City PROCESO in Spanish 30 Oct 95

[Commentary by Heberto Castillo, member of the Party of the Democratic Revolution National Council and member of the Cocopa: "Alert"; received via Internet]

[FBIS Translated Text] The country is undergoing the most serious economic crisis in decades. The lack of confidence among national and foreign investors has led to capital flight from Mexico, and the peso is plummeting. As of this writing, radio reports indicate that the exchange rate at the airport is 7.50 new pesos to the dollar. And although it may be better tomorrow, we can say that the peso has been devalued by 20 percent in one week. The official labor sector notes that wages' buying power has plunged 60 percent so far this year, while unemployment has hit Mexican households so hard that nearly 3 million new layoffs have been reported in 1995.

It is in this context that the hardliners in the system are exerting pressure for a crackdown on the Zapatist National Liberation Army (EZLN) rebels. And although they are diehard PRI [Institutional Revolutionary Party] supporters, they are acting like the militants of that underground organization: wearing masks. No one knows for sure who is behind the movement toward repression, although names are whispered here and there. That is true of those who ordered the arrest of Fernando Yanez Munoz, whom the government identifies as Commander German, alleged founder of the National Liberation Forces, the precursor of the EZLN.

As I write these lines, I am worried about the immediate future of the country, not only because behind Yanez' arrest are unidentified authorities, but because I see evidence of a plan to destabilize the nation from within the system itself. I am not concerned about the EZLN and its probable ramifications in other states besides Chiapas, because that organization's political plan is known. Specifically, it is democratic and nationalist, and it champions the most legitimate demands of the Mexican populace. It shares many points in common with the essential political, social, and economic platform of the Party of the Democratic Revolution (PRD) and other parties in which I have been involved and whose principles I therefore defend.

I am not worried about the EZLN taking up arms, because we have entered a process of dialogue in which, if the government behaves honorably and respects the agreed-upon format for discussing and reaching a final agreement to guarantee peace with dignity, as has been proclaimed so loudly, sooner rather than later we will come to the point of signing a peace accord, which would be a victory for all democratic Mexicans.

I am, however, very much concerned about the fact that in the dialogue with the EZLN, for the second time, out of the shadows, high-ranking government officials are taking action just at the right moment to destroy the dialogue, when substantial progress is being made in Chiapas.

The first time, the Legislative Commission, made up of six senators and eight deputies, was returning to Chiapas after careful inspection of the areas where the Army was said to be perpetrating atrocities and had occupied towns, in February 1995. We had spoken with the residents of many towns and had managed to win the trust of some people we knew to be rank-and-file EZLN members. On the very day we returned, we learned that the order had been given to arrest the Zapatist leaders. Annoyed because we felt we had been manipulated, we decided to withdraw from the Legislative Commission for Peace in Chiapas. When the administration found out, it invited us to discuss our position. That was the origin of the proposal for a law drafted jointly by the legislators and the executive branch, which became the Law for Dialogue, Conciliation, and Honorable Peace in Chiapas. As a result, the arrest warrants against the EZLN leaders were stayed.

I got the impression, however, and I made it known, that the administration had counselors or advisers who, rather than help it solve the problem, sought to place it

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in an irreversible situation in which repression was seen as the only way to solve the problem in Chiapas.

The joint effort that was made to draft the legislation revealed Esteban Moctezuma's conciliation skills, and something else that had always been in doubt: the ability of legislators from various parties, acting on an equal footing, to put Mexico's interests ahead of those of their parties, and even ahead of their personal interests. A team of peace-builders was formed, made up of the legislators and the secretary of the interior. We worked on that team as equals, and the most that came out of it was a chairmanship or coordination of the debate session. And it was just that: a forum for debating ideas. It was there that the articles of the law that would be passed on 11 March 1995 were hammered out.

That law gave birth to the Commission for Harmony and Pacification (Cocopa) on 14 March 1995. Its purpose is to help lay the groundwork for dialogue and negotiation, support the conclusion of the harmony and pacification accord, ensure that conditions are propitious for the authorities to engage in dialogue in the places specifically agreed upon for negotiations, and take measures to ensure that the Secretariat of the Interior publicizes the law adequately.

It was difficult to win the EZLN's trust in the Cocopa, because first it was thought to have been created on "orders" from Zedillo to replace the National Mediation Commission (Conai) as the intermediary between the government and the EZLN. After we repeated until we were blue in the face that our commission had been formed precisely for the purpose of making the Conai the only intermediary, it was said in many different ways that we were a government commission.

The daily work of the Cocopa did get some recognition from the EZLN, because it always contributed to increasingly direct dialogues among the parties. After much persistence, it managed to win a place for the EZLN in the national dialogue proposed by the Cocopa's predecessor, the Legislative Commission, and approved by Congress in January 1995.

After getting the working groups started on the discussion of rights and indigenous culture, which took six intensive days of uninterrupted effort, we achieved a climate of detente. Some commanders in the six working groups acknowledged that progress was being made on solving specific problems. Then, when we got back at 0500 hours and had not even slept an hour, we heard on the news on Monday the 23d that Fernando Yanez, Commander German, had been arrested for possession of weapons reserved exclusively to the Army. I will not go into detail on Yanez' arrest, which no one believes, and undoubtedly it is covered elsewhere in this issue of PROCESO.

What I am concerned about, I repeat, is the fact that once again "someone" or "some" very influential government officials have acted at just the right moment to discredit the detente we in the Cocopa have achieved, and to kill the limited trust we had been able to inspire among the EZLN leadership so that we could establish a fruitful dialogue and bring that rebel, armed organization into negotiations with the government for an honorable peace.

We have to understand something that should be obvious: Those Mexicans rebelled because they do not believe in the government or in the political parties. They distrust the government on general principle. They have no reason whatsoever to think it is acting in good faith. Therefore, those who are ordering these arrests are causing serious harm to the nation. They are destroying a serious and responsible effort by all the members of the Cocopa and all those who know that in Mexico, as in the rest of the world, there are only two ways to alter the course of nations: the peaceful way, changing the leadership through elections, or the armed way, removing or making radical changes in the government structure through war or military coups.

We in the Cocopa have fought unstintingly and unmistakably for the first alternative. We do not want wars or coups. And it must be said that in the shadows, for the last two years, there have been elements in the Mexican Government who have been tempted to seek violent change through a coup d'etat. The deaths of Colosio and Ruiz Massieu can be chalked up to that. The clumsiness of arresting Fernando Yanez while Ernesto Zedillo was in New York, the perfect moment to discredit the alternative of dialogue, is no mere coincidence. We must be alert, at the very least.

Government, Indian Issues Talks Analyzed

96CA0035A Mexico City LA JORNADA in Spanish 30 Oct 95

[Commentary by Luis Hernandez Navarro, adviser to the National Coordinating Board of Coffee Grower Organizations and researcher at the Center for Studies for Change in the Mexican Countryside (CECCAM): "The Stuff of Dreams"; received via Internet]

[FBIS Translated Text] Among the Huichol Indians, a good leader has to know how to dream. The first phase of the Session on Rights and Indigenous Culture, which brought together guests and advisers of the EZLN [Zapatist National Liberation Army] and of the federal government, was held from 17 to 22 October. It was

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simultaneously a touchdown point for the dreams of hundreds of Indian leaders and a takeoff point for new and more ambitious projects.

The mechanics of the event were simple. The guests and advisers spoke in six sessions during successive rounds, discussing diagnoses and proposals on issues as diverse as autonomy, forms of government and representation, justice and human rights, culture, Indian women, and access to the communications media. Members of Cocopa [Commission for Harmony and Pacification] led the working groups from which emerged reports indicating areas of consensus and some points on which there was disagreement. Members of the EZLN and of the federal government also attended the sessions, as well as journalists, although the journalists were not allowed to speak.

The EZLN guests and advisers at the event were Indian leaders and intellectuals from various parts of Mexico and Chiapas, people with many years of reflection and experience in dealing with their situation, as well as political analysts, media personalities, and parliamentary representatives. The government's guests and advisers, aside from some noteworthy exceptions, were representatives of Chiapan communities affiliated with the INI [National Indian Institute] and the state government, members of the Chiapas community of Indian officialdom, and some government officials. Neither ranchers nor some of the most famous Indian caciques were invited. A substantial number of academics did not accept the government's invitation, and neither did the Socama [Peasant-Teacher Solidarity] organization.

The composition of the delegations caused the participation to be, in general terms, quite unequal. The largest number of proposals and those which had been most extensively developed—based on practice—came from the EZLN's guests and advisers. Those who attended as government guests generally focused on specific demands. Except for some quite specific presentations, the federal government's advisers added little to the debate. Strangely, many of the government's guests thanked the EZLN for its struggle and acknowledged that holding the session was due to the EZLN, while others said that the fact that they had been invited by the federal government should not be taken to mean that they shared the federal government's viewpoints.

The differing composition of the delegations revealed two different tactics. The Zapatistas wanted their guest list to have a substantial national projection, and even refrained from expressing their own viewpoints in order to allow their guests to speak. The federal government opted instead to select a list of guests with regional credentials. In actuality, the government's plan collapsed in the first working sessions. The agenda and the working dynamics which carried the day belonged to those who took part on the side of Zapatism: they managed to assimilate into their own agenda the proposals put forth by the panel of governmental guests.

From the very first, the issues discussed took on a national dimension. Some of the government delegation tried to remedy that situation by "leaking" to the press that the EZLN had brought the intellectuals, and the federal government the Indians. It was too late for that. Of course, the majority of the EZLN guests were intellectuals, but most of them were also Indians. The attempt to oppose Indians to non-Indians—made by some of the government's guests—blew up in their own faces.

During the working sessions a very significant part of Deep Mexico was seated around the different working groups, telling of their living conditions and aspirations. In many ways, the keynote of the sessions was this variety of regional experiences, which ranged from the Huichol Indians' resistance to allowing the Franciscans to open a church in their territory in Jalisco to the Sierra Juarez struggles in Oaxaca against cacique power and the recovery of their municipalities; from the Yaqui tribe's charges of divisive attempts to the dramatic repressions suffered by Indian communities in the Huasteca region.

Like an album of photographs placed without any chronological order, these stories offered a dramatic portrayal of this segment of the nation: lack of political representation, injustice, cacique power, the inability of the present party system to represent the Indian peoples violation of human rights, oppression, racial and gender discrimination, etc. This portrait of a Mexico which only rarely appears in the media was not left, though, simply as anecodotal narrations of experience or complaints, but was accompanied by a diversity of proposals developed in consensus documents.

The areas where consensus was reached all focus on the idea of reforming the pact between the national government and the indigenous peoples, based on a dual axis: the autonomy of the Indians and the concept of a democratic and inclusive national government. In addition, a strong consensus was reached on the enormous ravages caused to both the indigenous population and the nation by neoliberal policies. They also reached a communion of ideas on particular points in each of the sessions. All of these points cite the need for major reforms in the entire nation.

In this process, Conai [National Mediation Commission] and Cocopa played an outstanding role. In fact, the Cocopa members seem to have moved away from

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their own parties, by putting forward measures intended to create situations and spaces for resolving conflicts, independently of the platforms of their own political institutions.

As a space for the convergence of dreams long cherished by the Indian peoples of this country, this event also gave an enormous boost to the national dialogue promoting movement toward democracy. As has happened so often in the history of our nation, the Indians have become subjects for change, motivating forces for democratic reform. One example of this aspect of the Dialogue in Chiapas is that, even though the differences may not disappear, it now seems possible to find suitable grounds for overcoming these differences.

That is why the arrest of Fernando Yanez is so serious. This arrest impairs the federal government's already eroded credibility. Who can guarantee that the pacification proposals will be carried out? That action harms the pacification process in Chiapas and exacerbates even more the nation's political climate. It shows that retaliation has become a method of national governance, taking precedence over the nation's general interests. It reveals that, when faced with the dreams of the Indian peoples, some people in the federal government respond by creating a national nightmare.

Senate Passes National Security Law

PA0411180395 Mexico City LA JORNADA in Spanish 31 Oct 95 pp 8, 64

[Report by Nestor Martinez]

[FBIS Translated Text] With four last-minute modifications proposed by the National Action Party [PAN], the PRI [Institutional Revolutionary Party] and PAN factions in the Senate yesterday approved the General Law that Establishes the Bases for Coordination of the National Public Security System, which determines the mechanisms and procedures for cooperation between the federal government, the states, and the municipalities on the subject.

The PRD [Party of the Democratic Revolution] voted against the law because it believes that this law "paves the way for a coup d'etat" and because it does not believe, as it said, that the Mexican Army should "carry out police functions."

At the beginning of the debate the PRD made a motion to suspend discussion of the law and to instead submit it to public consultation via regional fora and to place it on the agenda of the national dialogue for political reform and reform of the state.

The PRI and the PAN rejected this motion and approved the bill, in general, with 104 votes. Regarding the voting on specific articles, the PAN voted against article 12 after the majority opposed an additional modification proposed by the PAN aimed at limiting the functions of the Army and the Navy in the National Public Security Council, the body that is going to coordinate the new system.

PRI member Sonia Alcantara, who was tasked with explaining the position of the commissions, pointed out that this law does not curtail the attributions of any authority, does not create any new authority, and does not involve the formation of any new police corps.

Alcantara said that the law does not violate the autonomy of either states or municipalities, because it clearly specifies that any action must always be taken with unrestricted respect for the attributes of each of the entities involved in the national coordination.

She explained: "The National Public Security System is legally viable; this initiative falls within the legal and constitutional frameworks and respects the principles of federalism and individual guarantees."

Alcantara was optimistic when she said that a new era, characterized by the existence of a new form of federalism, is visible on the national horizon, and stressed that "the participation of the secretaries of National Defense and of the Navy in the National Security Council is fully justifiable."

On the other hand, PRD member Felix Salgado Macedonio attacked the initiative, claiming that it was dictated by the White House because "the gringos no longer want to take a chance with this government." Salgado said that, in his opinion, this bill is paving the way for a "coup d'etat."

Salgado Macedonio told the PRI members that they are confusing public security with national security and said that the PRD does not agree with "our armed forces playing a police role...because they already have a task outlined by the Constitution."

It was then that Salgado Madeconio proposed a motion to suspend the bill; a motion that was ultimately voted down by the PRI.

PRI member Mario Vargas Aguilar, secretary of the Justice Commission, said: "We are convinced that this bill will strengthen the state of law because public security is an inherent part of it. The struggle against impunity and in favor of efficiency in the impartment of justice are decisive factors when one wants to maintain society's trust and strengthen its cohesion and unity."

Natividad Jimenez Moreno of the PAN basically supported the reforms and was the person who proposed

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the four modifications — mainly regarding form — that were approved at the last minute.

Jimenez Moreno said: "The PAN senators promise to oversee the law and the actions coordinated by the National Public Security System so that the system won't be derailed and that it may serve its purpose of safeguarding the security, rights, and property of all Mexicans."

PRD Coordinator Hector Sanchez Lopez reiterated that his party votes against the bill because it contains points that have been objected to publicly by the Mexican people as well as legal experts.

Sanchez Lopez said that, in essence, the law runs counter to constitutional principles that are the basis of Mexican federalism, and proposed that the law limit itself to setting up basis to harmonize the public security function and to establish the cooperation between the various levels of government.

Also from the PRD bench, Jorge Luis Tinajero called on all the parties in the Senate to focus on and debate the law seriously and without any frivolity, while Heberto Castillo warned that if the Army and Navy are included in the law there will be a serious risk of drug trafficking gaining an inroad into the armed forces.

Castillo suggested that the authorities tasked with combating drug trafficking be rotated, to prevent them from being corrupted.

For his part, PRI member Amador Rodriguez Lozano stressed that the Army and Navy's participation in the law is not unconstitutional, because this participation is bound by and has the consent of civilian authority. Moreover, he pointed out, both the Army and Navy are under the President's command.

Rodriguez Lozano added: "It would be absurd for either the Army or the Navy to participate in national security affairs without the consent of the civilian authorities."

PAN member Enrique Franco Munoz then presented the motion to reform article 12 so as to limit the purview of the secretaries of national defense and the navy so that they can participate in the National Council only in specific instances.

The PRI rejected this motion, which led the PAN to vote against this single article.

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El Salvador

President Denies IDB Suspended Credits

PA0611032295 San Salvador EL DIARIO DE HOY in Spanish 3 Nov 95 p 5

[FBIS Translated Text] President Armando Calderon Sol has denied that the Inter-American Development Bank (IDB) has suspended credits to El Salvador due to changes in the Social Investment Fund (FIS) and the National Reconstruction Secretariat (SRN).

Former FIS Manager Carlos Adrian Rodriguez, one of the executives fired last week, said that the IDB has retained $60 million assigned to the FIS, which is in charge of channeling international aid.

Calderon Sol denied the reports, saying, "on the contrary, the country has international prestige and the IDB is a bank interested in lending money."

Rodriguez said that the German bank KFW suspended the delivery of $10.6 million, apparently due to the institutional crisis in the FIS, where more than 100 workers began a strike Monday to protest the dismissal of their fellow workers.

According to Rodriguez, the suspension of the aid has paralyzed the implementation of 700 social development projects, particularly the installation of potable water services, sewers, and electrification in rural areas.

President Calderon Sol added that the Salvadoran Government will send a mission to Washington to explain the reduction in the state payroll and the changes in government.

The government has announced plans to merge the FIS and the SRN, which were created after the signing of the peace agreements in 1992.

"We believe tha. institutions that fight poverty, like the FIS and the SRN, should be unified," he said.

FIS President Norma de Dowe also denied Rodriguez' allegations. She said she met with an IDB representative "who assured me that he had very good prospects for the FIS and that he was not supporting anyone in particular."

Embargo on Cuba

President Calderon Sol also referred to the U.S. embargo on Cuba, which was voted upon at the United Nations.

Calderon Sol said that El Salvador will abstain from voting because it has always defended the people's right to self-determination."

"The United States is a sovereign country, therefore, it can decide which countries it wants or does not want to trade with," he concluded.

Guatemala

URNG Maintains Cease-Fire; Army Increases Patrols

PA0311223295 Panama City ACAN in Spanish 1831 GMT 2 Nov 95

[FBIS Translated Text] Guatemala City, 2 Nov (ACAN-EFE) — After the first 24 hours of the unilateral cease-fire ordered by the guerrillas to facilitate the holding of general elections, the order seems to be respected throughout the country. Meanwhile, the Army has increased its patrols to dissuade the rebels from staging any actions.

A source of the Information and Press Department of the Army (DIDE) told ACAN-EFE that the Army has not received any report of fighting between insurgents and government troops.

"So far, the cease-fire has been fully maintained, and there have been no armed incidents," Colonel Guillermo Caal, chief of the DIDE, told ACAN-EFE.

He reiterated that the Army hopes the guerrillas will decide to maintain a "definitive" cease-fire, as Guatemalan President Ramiro de Leon has also requested.

The guerrillas of the Guatemalan National Revolutionary Unity (URNG), which according to the Armed Forces has 900 fighters, have pledged to halt offensive operations from 1 to 13 November to facilitate the holding of general elections on 12 November.

Nevertheless, after the cease-fire began at 0000 (0600 GMT) on Wednesday [1 November], the rebels have yet to confirm whether the cease-fire has in fact entered into force.

This is the second time in 35 years of armed struggle that the guerrillas halt armed actions for the holding of general elections. The first time was during the 1990 elections, when now ousted President Jorge Serrano was elected.

According to the Army, the main URNG theaters of military operations are in the departments of San Marcos, Huehuetenango, Solola, Quiche (west), Peten (north), and Retalhuelu (south).

Nevertheless, in the days before the cease-fire, URNG members undertook an intense armed propaganda action in most of the country's 22 departments. The actions reached the capital, where groups of armed insurgents staged "lightning" rallies in poor neighborhoods in the city's outskirts to urge residents to vote against militarism and impunity.

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Jeeps with Army troops have been patrolling the streets of Guatemala City since yesterday to prevent a repetition of such actions, which the military describes as "acts of intimidation."

Armed Forces spokesmen told the media that members of the secret information service have been deployed to sites that might be used by the URNG to harangue the population.

Guatemalan Indian Rigoberta Menchu, winner of the Nobel Peace Prize, said the suspension of URNG operations is positive because the electoral process that will conclude with the general elections has created "much expectation."

Therefore, she told ACAN-EFE, "nothing" should "prevent" the holding of the elections in a peaceful climate, adding that this is the "obligation" of all the armed forces, both "of the guerrillas and the Army."

"All the groups that are armed should respect the will of the people, which will be expressed in the ballot boxes; this will reduce the fear of voting," she said.

This year, Menchu has promoted a "Campaign for Citizens' Participation," which seeks to "defeat" the high abstention rate registered in past elections.

Approximately 3.7 million Guatemalans are eligible to elect a president, vice president, 80 deputies to the Legislative Assembly, 20 deputies to the Central American Parliament, and 300 mayors throughout the country.

President Asks Prosecutor General for Resignation

PA0311223395 Guatemala City Televisiete Television in Spanish 1900 GMT 2 Nov 95

[From the "Channel Seven News"]

[FBIS Translated Text] In view of growing impunity in the country due to the evident inefficiency on the part of the Prosecutor General's Office, President Ramiro De Leon Carpio has asked Prosecutor General Ramses Cuestas Gomez for his resignation.

[Begin recording] [De Leon] I am analyzing the situation because the key for resolving the impunity problem lies in strengthening that institution.

[Reporter] Are you going to dismiss the prosecutor general?

[De Leon] Dismiss, no. The prosecutor general can leave the post only for two reasons. One would be the result of a trial ruling. This is not the case here. The other reason would be notorious incompetence. In this case we would have to bring him to a hearing. I hope if this situation arises he would resign, if the situation arises.

[Reporter] [words indistinct]

[De Leon] This is what I am analyzing. I am studying this carefully because this is not just the UN Mission for Guatemala, this involves the media, institutions. Tomorrow we have a meeting with the presidents of the other two state branches. Based on the established rotation system, it will take place at Congress. We will discuss basic issues such as this one, because I want to share this responsibility, which is a responsibility of the state, not just of the executive branch. This is the way it should be done. [end recording]

The prosecutor general has rejected the president's request and affirmed that he will not resign. He cautioned about the existence of serious executive branch pressure on the Prosecutor General's Office.

[Begin Cuestas recording] This story about me either resigning or him dismissing me from my post was first heard at the end of September. I am not surprised about the story, but it does bother me. It bothers me because the idea is to put pressure on the Prosecutor General's Office to try to neutralize what this institution is achieving.

The pressure comes in the form of statements by the president, but the origin is in an advisory group he has, a group called Crisis Committee. That group initially pressured for delaying as much as possible the solution of the Bamaca case. Now the pressure arises from the president's interpretation of a case presented by a group of farmers that has denounced crimes they attribute to Dr. Hector Rosada.

In conformity with Article 165, letter H, of the Constitution, Congress must declare if there is or there is not grounds for starting proceedings against so and so, and goes on to list many officials, including the secretaries of the Presidency of the Republic. This means that persons having the position of secretary are entitled, in principle, to have Congress determine whether a pretrial against them is lawful or not. [end recording]

Meanwhile, Hector Rosada, coordinator of the Guatemalan Government's Peace Commission, has denied the presence of pressure on the prosecutor general.

[Begin recording] [Rosada] If it is true the prosecutor general has said this, according to what you tell me — I have not heard him say that he has been pressured but I believe you — I can tell you that I know the president very well, and I doubt the president would give any

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order in that direction. He is a law-abiding man who respects institutions also.

In my case, as in any other case, it is the courts, and in this case Congress, who should decide whether or not a pretrial is necessary. I think the prosecutor general has acted in a lawful manner and must continue acting according to the law.

I want no privilege. I don't want anybody protecting me. I respect the law, and the law protects me and if I violate it, then the law will punish me.

[Reporter] [words indistinct]

[Rosada] If the pretrial is endorsed then this possibility would have to be analyzed. As I said last time, this is a pedagogical and political process for the benefit of society. I am not in favor of privileges. I have said this many times. This country is changing because we are beginning to respect institutions and the law.

It is good that Conagro has taken its claims through legal and constitutional channels. The claim is against myself and is an example of an action against the negotiations process but the situation would not be resolved if I were to be protected by a pretrial decision. I don't think this is the solution. The solution is to verify whether or not legal proceedings against me are justified or not. [end recording]

Conservative Presidential Candidate Ahead in Polls

PA0511032495 Panama City ACAN in Spanish 2101 GMT 3 Nov 95

[FBIS Translated Text] According to a CID-Gallup of Central America poll, released today, Alvaro Arzu, the conservative candidate for the Guatemalan presidency in the 12 November elections, continues to lead in voter preference with 42 percent.

The international company, which boasts correct forecasts for all the elections it has surveyed in the past 20 years — with a 2.3 percent margin of error — confirmed the trend established in other investigations carried out by Guatemalan institutions.

Former Foreign Minister Alvaro Arzu is the presidential candidate for the National Vanguard Party (PAN). A group of lawyers threatened his candidacy with a legal suit, but the attempt was unsuccessful.

Alfonso Portillo, candidate of the conservative Guatemalan Republican Front (FRG), is in second place with 11 percent of the voters preference. Portillo is a lawyer who left the Guatemalan Christian Democratic Party in the middle of the year to join the FRG. He replaced General Efrain Rios Montt, whose candidacy was rejected due to constitutional impediments based on the fact that he headed a coup d'etat in 1982.

Those candidates are followed by former Attorney General Acisclo Valladares of the Progressive Liberator Party with 7 percent and former Foreign Minister Fernando Andrades of the National Alliance, which comprises the Christian Democratic Party, National Union of the Center, and the Social Democratic Party (DC-UCN-PSD), with 5 percent of the voters preference.

The remaining 15 candidates together have 7 percent of the voters preference while the undecided amount to 20 percent. The poll results were revealed by Costa Rican Olda Acuna, executive director of the CID-Gallup of Central America, in Guatemala City.

The survey was carried out between 14 and 21 October and covered a sample of 1,842 adults in 20 of the 22 departments in Guatemala (excluding Peten and Alta Verapaz) where 3.7 million citizens have been called to vote.

Acuna observed that 64 percent (1,173 people) of those polled said they are registered and are willing to vote. She added that the voting preference was measured based on this number.

Carlos Denton, another CID-Gallup official, said the poll found that the abstention rate will be approximately 45 percent, which, he said, is still very high.

Indian Rigoberta Menchu, the 1992 Nobel peace laureate who is promoting a campaign to reduce the electoral abstention rate, has asserted that citizen participation will be greater this year.

According to Acuna, Arzu's possibility of winning the election with an absolute majority in the first round depends on his "organizational ability" to attract the 28 percent of undecided voters.

If a second electoral round is required — it is scheduled for 7 January 1996 — Acuna expects that a tactical alliance will be made of "all" those against Arzu, who was former President Jorge Serrano's foreign minister during the first eight months of 1991.

She noted, however, that clearly Arzu will not obtain the 50 percent plus one, required to be proclaimed president in the first round. and, thus, the outlook for the second round is "unpredictable."

Acuna described Arzu's followers as people who are "aware" of their voting power and come mostly from the middle class, including professors and students. Only a small amount of peasants and Indians are Arzu followers.

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Jorge Gonzalez del Valle, candidate of the first leftist alliance to participate in the general elections in the past 50 years, is in sixth position with 1.6 percent of the voters preference. The candidate of the New Guatemala Democratic Front (FDNG), which comprises unions and peasant and grass root groups, hopes for a "big surprise" and hopes to gather 1 million votes.

The authorities who are elected in the elections will assume their posts on 14 January 1996.

In addition to the replacements for President Ramiro De Leon and his vice president, Arturo Herbruger, the citizens will elect 80 deputies to the Legislative Assembly, 20 to the Central American Parliament, and 300 mayors throughout the country.

Honduras

Rights Commissioner Hopes To Clarify Disappearances

PA0411133195 Panama City ACAN in Spanish GMT 3 Nov 95

[FBIS Translated Text] Tegucigalpa, 3 Nov (ACAN-EFE) — On Thursday, Honduran Human Rights Commissioner Leo Valladares said that he hopes that in a near future the involvement of CIA agents and Argentine military officers in the forced disappearance of persons will be clarified.

In the past decade, more than 100 people, including local and foreign nationals, were made to disappear in Honduras. According to a report drafted by Valladares in 1993, both civilians and military officers were responsible for the disappearance of these people.

The CIA agents and Argentine military officers became involved when they trained Honduran soldiers in counterinsurgency operations and tortures, according to accusations made by various private and public sources in Tegucigalpa and Washington.

Valladares stated in a news conference that he still receives reports on the participation of Argentine soldiers in human rights violations in Honduras, and that the most recent report has been provided by precisely "an Argentine academician from a renowned U.S. university."

That unclassified report cannot be disclosed publicly yet because "it would give the alert" to implicated groups.

Within the context of the disappearance of these people, Valladares mentioned the possible involvement of other "authoritarian governments" at the time, which he did not specify, although he did suggest that Chile might have been one of them.

In an effort to establish the truth regarding forced disappearances and other human rights violations in Honduras during the 1980's, Valladares has also asked the U.S. Government for its cooperation by providing classified information that could help clarify the events.

The Official is pleased with the information he has obtained thus far, and believes that uncovering the truth will be contingent upon the interest displayed by Hondurans themselves.

To this effect, he stated his satisfaction over the work being conducted by private and public human rights organizations to put an end to impunity in this country.

Valladares, as well as the Special Prosecutor's Office for Human Rights and the Commission for the Defense of Human Rights in Central America (CODEHUCA) voiced in Tegucigalpa their solidarity with the Committee of Relatives of Missing Prisoners in Honduras (COFADEH) on its initiative to demand compliance with the law and the expeditious execution of justice.

Last July, 10 military officers, including active and retired members, were accused of the temporary disappearance of six university students in 1982. Three of the 10 military members, including Colonel Alexander Hernandez — current inspector of the Public Security Forces, have been at large since last 17 October.

Colonel Juan Blas Salazar, who was among the accused, was sentenced to 21 years and seven months in prison on 30 October for the disappearance of 5 kg of cocaine in mid-1994, a crime without right to bail.

Nicaragua

Bank President Explains Privatization-Aid Conditions

PA0511161695 Managua LA PRENSA in Spanish 2 Nov 95 p 2

[By Ernesto Garcia]

[FBIS Translated Text] Jose Evenor Taboada, president of the Central Bank of Nicaragua [BCN], reiterated yesterday, Wednesday, that next year's foreign aid from some multilateral organizations depends on the Privatization of Telcor [Nicaraguan Telecommunications and Postal Services Institute], a state enterprise.

The government official said a proposal made by communication workers opposed to the sale of Telcor shares "is unacceptable."

A proposal by communications sector union people who are against the sale of Telcor shares calls for using Telcor profits for the next nine years to pay

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indemnities to persons who had property confiscated by the Sandinist government.

Currently, the debates on the Telcor Privatization Bill at the National Assembly are suspended. They were suspended after the workers presented their proposal to the consideration of the Parliament.

Mario Malespin, secretary general of the Telcor union, has affirmed that the proposal made by the workers would be studied by a special commission of the legislative and executive branches that is discussing the controversial privatization of the telecommunications sector.

What the labor leader said is in contradiction with the BCN president's statement that international financial institutions are of the opinion that the privatization of Telcor is vital for securing new economic resources.

Taboada was categorical in affirming that the privatization of Telcor is "fundamental" for the government to obtain $100 million from the World Bank, the IMF, the Inter-American Development Bank, and from Germany, Japan, and Sweden.

Taboada says he trusts the Telcor Privatization Bill will obtain the notes necessary for approval by the National Assembly.

He noted: "If Telcor is not privatized, the people will be the victims of that." He recalled that 10 foreign enterprises have already pre-classified for bidding on the privatization process.

It is true that Telcor is one of the few profitable state enterprises in Nicaragua, but it had to be "helped" economically with state resources in 1990 and 1992, the government official reported.

Union leaders have threatened to cut local and international communications the moment the legislative branch initiate debates on the polemical privatization bill.

The government expects to secure $240 million from the sale of 40 percent of the Telcor shares. The Communications Commission of the National Assembly has recommended the privatization of 50 percent of the Telcor shares.

Decision on Telcom Privatization Scheduled for 6 Nov

PA0511172495 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 1 Nov 95

[Report by Lidia Ruiz From the "National Newscast"]

[FBIS Translated Text] According to the results of a meeting between parliamentary party leaders, holders of confiscated bonds, and the administration, the privatization of Telcor [Nicaraguan Telecommunications and Postal Services Institute] has still not been decided. However, a number of protests have been planned to prevent its privatization. Nevertheless, the last word on this issue will be pronounced on Monday.

[Begin recording] [Ruiz] A number of different proposals were made in today's meeting to prevent Telcor's privatization. Telcor's union proposed that the Nicaraguan Government obtain a $200 million loan from the international financial institutions to pay for the confiscated bond holders and strengthen the bonds. According to the Finance Minister [Emilio Pereira], this proposal is good, but not feasible.

[Pereira] So that to get a $200 short-term loan to face the property issue [2-second break in reception] and the international community has issued a statement [2-second break in reception] in recent years, more than seven countries which have had property problems inferior to Nicaragua's problems have presented [2-second break in reception] to solve internal problem with foreign money. In any case, it continues [word indistinct] because they have already been told no.

[Ruiz] The $200 loan would be paid with Telcor's profits, at the expense of future generations.

[Mario Malespin, secretary general of Telcor's Workers Union] That debt would be assumed by the nation and guaranteed by Telcor. What we have demonstrated with these estimates is that Telcor has the economic resources to guarantee this proposal.

[Ruiz] However, Telcor is apparently a company which is heavily in debt.

[Pereira] For example, the union members have not included the more than $120 owed by Telcor, which the government has taken on, because these are debts which date before 1990. If we really listed Telcor's debts, Telcor would be a company facing financial problems. It has been handled [2-second break in reception] very stable company, because it does not have 100 percent of its debts registered.

[Ruiz] Pereira recommended that the Foreign Affairs Committee call on the group of friends of Nicaragua and ask them if they have money available. This week will be spent in consultations to get the general agreement of all sectors involved. The first meeting was held today at 1400 hours. The media was not given access to the meeting. [end recording]

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Economic Sectors, FSLN Support Telcor Workers' Option

PA0611010595 Managua BARRICADA in Spanish 1 Nov 95 pp 1, 8

[Report by William Ruiz Murillo]

[FBIS Translated Text] Various economic sectors of the country and the Sandinist National Liberation Front [FSLN] bloc have supported the alternative proposal of the Telcor [Nicaraguan Telecommunications and Postal Services Institute] Unions Federation that the state borrow $150 million in the long term. The government could negotiate this loan with an organization such as the Inter-American Development Bank to reappraise the bonds of people whose property was confiscated. Telcor profits could guarantee this loan.

However, as Minister Emilio Pereira came out of a meeting held with National Assembly President Luis Humberto Guzman, the former voiced the government's decision to sell 50 percent of Telcor to a multinational company, arguing that the proposal of the Telcor workers would make future generations fall into debt.

With this official statement, the government is ignoring the alternative proposal of the Telcor workers; they had requested one week to make it public.

The FSLN believes that the government's position hides an obscure financial plan consisting of putting away in a secret fund most of the proceeds from the Telcor sale. This fund will probably be used to finance mismanagement at the expense of the Nicaraguan people.

Likewise, the FSLN believes that the government's privatization plan threatens national sovereignty in such a sensitive area as the communications sector and fails to meet the objective of stabilizing the property issue.

FSLN bloc chief Deputy Nathan Sevilla affirmed that bond holders disagree with the government's proposal, because they want to redeem their bonds in the short term, which they can do with the option the Telcor workers presented.

Sevilla added that, on the other hand, the government has failed to submit clear and precise information justifying the amount of $650 million to support the bonds and has refused to make public a complete list of those who were indemnified.

The government has not disclosed the situation of the national financial system's debtors; it has not disclosed who received compensation or traded properties during the previous government and who is not entitled to file a claim because he was affected by Decrees 3 and 38, which pertain to the Somoza family and people close to them.

The Telcor workers have other options such as capitalizing and strengthening the company to ensure that it will increase its profits, thus responding to the short-term bond holders, Sevilla maintained.

He also pointed out that the government could boycott the negotiations it must conduct to get the loan to pay off the bonds the people with confiscated properties have, because there is the possibility of conducting shady businesses that may involve commissions.

Article Urges Concerted Efforts in Telcommunications Issue

PA0611020095 Managua BARRICADA in Spanish 1 Nov 95 p 5

[Article by Bayardo Arce Castano]

[FBIS Translated Text] The planned partial privatization of Telcor [Nicaraguan Telecommunications and Postal Services Institute] is one of the most controversial issues in the country's political and economic agenda.

Must it be privatized? Why? For what? The answers are difficult for the legislators, the government, and the Telcor workers themselves. The involved parties have definitely failed to answer these questions as best they can.

The first clear thing is that the initiative, at least as far as the public is concerned, **was made from abroad**. It came from the IMF and the World Bank and their acclaimed gospel of market economy.

The taste of foreign impositions clouded arguments that could have been convincing as support for the national economic development, such as the technological development communications systems have nowadays in the world or the conveniences of joint investments for their accelerated expansion in the country.

The letter the government sent to the IMF on 16 April 1994 to close the ESAF [Enhanced Structural Adjustment Facility] agreements emphasized more the effects the planned privatization would have on the monetary balances of domestic accounts. Second, the privatization is conceived as a mechanism to redeem bonds issued by the government.

Later, especially in the speech the finance minister delivered, the main argument lay in the use of these proceeds to redeem the indemnification bonds issued to the people with confiscated properties, which have inexplicably been estimated at $650 million. This would complement the Law on Property Stability to balance the domestic pressure on "what is yours and what is mine."

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The Voice of Workers

The stress on this objective has forced workers to propose alternative mechanisms by offering that Telcor profits, which no one denies, be used to start redeeming these bonds while maintaining an investment process that will prevent further technological backwardness in the communications arena.

Meanwhile, the bond holders have voiced their disagreement with the use of the proceeds from the privatization and are demanding that they not be used to purchase U.S. treasury bonds, not because of nationalism — this is how that country's economy is financed — but because they believe that the proceeds should be used to redeem their bonds.

The significant aspect in this national debate is that the pressure exerted by international organizations to set an immediate date for the privatization has ebbed somewhat, thus allowing true concerted efforts on an issue of national significance. After all, this is the most profitable service in the country and concerns tens of thousands of Nicaragua's telephone service subscribers who could see prices and quality altered.

The Assembly already took the first step as it listened to the positions of the party bloc chiefs and the Telcor workers prior to the parliamentary debate. However, it would also be good to listen to other economic and social agents in the country, which have something to say from different standpoints about the privatization of Telcor. This is done to prevent any more unilateral decisions, which are more susceptible to mistakes.

Economist Views Government Plan

95CA0310A Managua LA TRIBUNA in Spanish
29 Jun 95 p 3B

[Article by Denis Garcia Salinas]

[FBIS Translated Text] Francisco Mayorga, former president of the Central Bank of Nicaragua, said yesterday that, of the $500 million he had announced would be obtained annually to pay the foreign debt and fund the economic adjustment program, the government will have only $11 million available to finance the private sector.

Speaking to businessmen from the Nicaraguan Association of American Trade, Mayorga said the government had projected $88 million for the sector for 1996 and $112 million for 1997.

The economist said that private businessmen should ask themselves how the government can possibly claim to reach a goal for economic growth while giving reduced support to the private sector, supposedly the driving force of development in the country.

He said that of the 2.7 million blocks of land "suitable for cultivation" (17 million total), only a third—i.e., 881,000 blocks—will be funded. This figure is in contrast with the figure for 1974-1975, which was 1,026,000.

In his remarks at the conference, Mayorga also painted a very gloomy economic picture for most Nicaraguans over the next 15 years. He said that it will be practically impossible to do anything about poverty in the country, although the government will hypothetically achieve economic growth of six percent.

He explained that even with an annual growth rate of six percent, the GDP would not reach the level of the 1940s until the year 2000 and the 1977 level by the year 2005. We would not reach the threshold of the 1950s, i.e., post-World War II, until the year 2010!

Mayorga said that private consumption has been on a downward trend and that the plan of more jobs will "fall short" for the years just ahead.

Economist Mayorga also questioned the goals set by the government in the plan it presented to the Donors Advisory Group meeting in Paris, France, where government officials obtained promises of aid amounting to $1.5 billion, a sum that in his opinion "was already committed."

The government's plan aims to improve the "quality of life" of the people, the majority of whom wallow in poverty; create a competitive economy; and halt ecological and environmental decline.

Making a macroeconomic analysis of the draft of the plan presented in Paris, which was supposedly for "limited circulation," Mayorga noted that annual growth—no longer of six percent, but four—will be difficult to achieve when the bank restricts credit to production and increases the legal cash reserve from 10 to 15. In addition, there are the Open Market Operations that seek to siphon money out of the financial system, Mayorga observed.

He explained that the government does not plan to reduce public spending either, based on the fact that in 1993 it amounted to 37 percent of the gross domestic product, 39 percent in 1994, and 42 percent this year. According to the government's projections, that figure will be reduced to 39 percent in 1996 and 37 percent in 1997, meaning that Nicaragua's public spending will be at the 1993 level. This is the "public spending bubble" that the government wants to sell.

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Mayorga said that both spending and taxes show an upward trend. In 1993, Nicaragua had a tax burden of 22.2 percent of the gross domestic product and 25.4 percent in 1995, the economist noted, adding that for 1996 and 1997, projections will be 25.9 percent.

As a result, the strategy does not consist in reducing public spending or taxes. Furthermore, there will be a scarcity of foreign resources that may be transferred to the private sector, he said.

In the meantime, Central Bank President Jose Evenor Taboanda defended the government's economic policy, quoting words from the Donors' Group meeting in Paris to the effect that the "path that Nicaragua is following is excellent and the right one." Taboada said that Paris has provided an opportunity to fight the acute problems besetting Nicaragua, and asked all sectors to support an undertaking aimed at pulling the Nicaraguan people out of poverty.

Henry Ruiz on FSLN Split, Alliances

95CA0310A Managua EL SEMANARIO in Spanish 29 Jun 95 pp 16-17

[Interview with Sandinist National Liberation Front (FSLN) leader Henry Ruiz by Jorge Katin; date and place not given]

[FBIS Translated Text] He needs no introduction: A legendary guerrilla figure, one of the nine members of the FSLN National Directorate, and minister of planning under the Sandinist Government. At the FSLN Congress in May of last year, he vied with Daniel Ortega for the post of general secretary at a time when such a thing was considered a sin! Since that time, he has sought refuge in anonymity and returned to the political underground. Today, Henry Ruiz (Modesto) breaks his silence, sickened by how the country's future is being mortgaged and by the political demagogy that is our daily fare.

[Katin] No one knows what you have done since the FSLN Congress in May of last year.

[Ruiz] I was devoting part of my time to seeing the possibility of reaching some sort of settlement between the two factions into which the FSLN has split, but that was not possible. The work proceeded quietly because of the delicacy of what was involved, and there was no need for publicity. A few meetings were held, but in the end the work led nowhere. Nevertheless, I feel satisfied that no greater trauma accompanied the split of one sector that definitely has political ideas and proposals different from those of the other. Allowing such a withdrawal with no violence other than purely verbal was a very important step. Moreover, I have joined with a group of friends—who are well-informed about the matter—to study possible solutions to the overall problems besetting the economy. We have already made one proposal public. It is on the table and we believe it is an important contribution.

[Katin] How do you view the country's political situation and the position of the FSLN in particular?

[Ruiz] Very bad. I view the FSLN as totally incoherent, without clearly established political ideas or principles. On the one hand, it says it is necessary to go after the problem of land, but on the other, you have an FSLN leader going abroad and saying that the laws are not important. One cannot go to Paris and say the opposite of what people are proclaiming here. The FSLN says the government's economic policies are against the people, they issue a series of communications, and its newspaper runs headlines against that policy. Then, when it comes time to make a proposal, it accompanies the government to Paris, where it is not certain that they are going to get money, but that the country is going to be mortgaged at least until the beginning of the next century!

[Katin] Are these incongruencies and contradictions?

[Ruiz] There is a Russian saying that "what the pen builds, no ax can destroy," and it will be very difficult to erase the FSLN's signature in Paris and the entire part it played there. Here they stage strikes and take over the National Assembly to condemn economic repression, then that very week go hand—in-hand with the government to mortgage the nation! The only clear, coherent thing is that the FSLN has become the main ally of Antonio Lacayo's government and everything that that neo-liberal government signifies for the country.

[Katin] Is that FSLN-government alliance for real?

[Ruiz] Naturally. For me, that is crystal clear. The Front is not just any ally. It is the main ally of Tono Lacayo and his worn-out program. Just look at two things: From the very beginning, the FSLN said that the constitutional reforms were correct. They challenged a couple of things, such as the two election ballots, with which I do not really agree either—but in the end, that is what came out of the National Assembly debate, and I am not going to promote a persistent policy opposing the essence of that reform just for that reason. There is duplicity between the rhetoric and the practice. The FSLN was the only party that stayed on the side of non-reform, on the side of the government, and this cannot be concealed.

[Katin] But why?

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[Ruiz] It is suspicious. The government opposes reform because it affects its dynastic, continuist plan. Reform prevents the figure, the leader of that plan, from being a candidate for the presidency. But why does the FSLN oppose it with equal vehemence? What side are they on? If they are on the side of reform, they should put all their weight behind it, including the pressure of the masses, agreeing with the Catholic Church, that the masses have solutions to this problem. And yet, they ignore the message. What is more, at a time when the Church is making an appeal, they come out as if not to be left behind, but they do it for some other reason, not reform.

[Katin] Why is the FSLN two-faced, using a policy with two sides?

[Ruiz] First of all, because of its lack of political ideas. Second, there is the fight over leadership. An internal struggle is going on in the party over control of new positions resulting from the enormous vacuum created as a result of the failure of the 1994 Congress. These contradictions prevent them from having any kind of coherence. Third, they are unable to come up with their own idea, their own economic program to challenge the government's economic plan. Fourth—and I believe this is the decisive aspect—capital is beginning to build and in this process, economic interests have carried more weight than the ancestral principles of Sandinism. As a result, the weight of these interests determines the actions of the entire party, and this is a very serious matter, inasmuch as the rank-and-file ends up being manipulated.

[Katin] Will that dual policy, in alliance with the government, be based on fear of a possible election victory of Arnoldo Aleman?

[Ruiz] I believe that that is a groundless fear. I am convinced that no matter what government comes to power, it will not be able to do anything in terms of expropriation, and I am referring to the property of the peasants, the people belonging to the resistance, the EPS [Sandinist People's Army], and so on. There is nothing to reverse that as a national policy. Fears surface when one or more important persons in the FSLN have taken possession of things they should not have. That is a fear, but it is a fear that cannot be generally applied to what has been the historic conduct of Sandinism, which is its attempt to claim social justice.

Aleman considers the appropriation by people in the FSLN, as well as in this government, to be unjust. So if their fears coincide, their defenses will also. Something I reject from the very outset is that we should view Aleman with fear because he promises he will judge those who have taken unfair advantage. Sandinism cannot go on selling out its strength because of the economic interests of a few. They have tried to make Aleman into a demon for the sole purpose of justifying an alliance with the neo-liberal plan that is so heavily criticized from the inside, but they are off base. Aleman must be opposed from another angle, and if they are going to make alliances with Tono Lacayo, they should be made clearly and without justifications of that kind.

[Katin] Are you still in the FSLN or have you left it?

[Ruiz] I am still in the FSLN simply because I have not resigned.

[Katin] How do you view the FSLN's election future?

[Ruiz] I think the problem is that we are talking about an alliance with a specific political group rather than an alliance with sectors such as UNAG [National Union of Farmers and Cattlemen], the ATC [Association of Agricultural Workers], or the CST [Sandinist Workers Federation], taking up the demands of those unions and not placing the interests of the party above theirs. The discussion now under way is whether they will continue to support the government and whether to form alliances with Antonio Lacayo's program, using Aleman as a pretext.

[Katin] Might the FSLN have problems when it comes time to choose its candidates for the 1996 elections—another split, for example?

[Ruiz] There are two leaderships within the National Leadership at present: The old and the new. There are disagreements, which I view as normal. The fight is between those who want to put the leadership before the program and those who seek the opposite, which I believe is correct. I am concerned about the fact that people continue to talk about an old position of years ago, which is to choose a candidate from outside the structures, and that the leadership should act as a commando group, a facade, behind the national figure. That is ingenuous, if not opportunistic.

Nor do I dispute the leadership of Daniel Ortega within the FSLN. There is no way to dispute it. At the last Congress, despite the fact that another candidacy opposed Daniel, the idea was to give him another role, to use him in many ways, but that did not happen. It is sad to see the erosion to which his figure and image are being subjected. That is not good for the left or Sandinism in general, and I believe that some are contributing to it consciously. However, he bears his share of responsibility for the dual policies and for the accelerated erosion of his persona.

[Katin] And how do you view the prospects of the Sandinist Renewal Movement?

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[Ruiz] I believe they started out good—very aggressively, and with consistency between the rhetoric and practice; but it must be seen for what it is: A new project that has a long way to go. It must keep on its own path and not base its rhetoric or action on opposing the FSLN. That would be a serious mistake. They must avoid falling into the defects of parties such as the MDN [Nicaraguan Democratic Movement] and the UDC itself, which concentrated on strengthening their leadership and never grew at the grass-roots level. Its statutes are good in that they ask for constant change in leadership structures. They must achieve that. These are what I would call medium-range expectations. Within about six years, they must have made sufficient progress to be a palpable alternative in terms of election strength.

[Katin] Turning to other issues, how do you view the economic situation, and what response was there to the proposal for a way out of the crisis that you led?

[Ruiz] The goal of the economy is to achieve harmony in society; that is the ultimate purpose. However, when there is 60-percent unemployment, one has no choice but to say that something is askew. In order to integrate society, we must create jobs. Here there is only talk of growth in itself—which, incidentally, is less than what the government should propose. Economic growth must accompany employment policies in order to solve the problem of social disintegration. I do not see how this can be resolved when 40 percent of the people must support the 60 percent that are unemployed. It is the masses' yearning for justice that is the cause of crime. These are forms of protest that are contained in this reality and this government only proposes growth. Our proposal spoke of a solution based on the creation of jobs. We give the government its role, but we are not speaking of an oversized, bureaucratic government. Rather, we seek one that moves in the direction that society demands. What neo-liberalism does is solve the necessary macroeconomic figures. The fact is that everything is interconnected and when it fails, vengeance is fatal. Here, what we are seeing are the defects of the plan, the crime, the disorder, the lack of confidence in the system. What we have tried to do was to give Sandinism an alternative, and not via heroism.

[Katin] When shall we see Henry Ruiz active in politics again?

[Ruiz] I have set two conditions: First of all, that the reforms pass. The reforms were an internal struggle within a Sandinism that finally split into two factions. The existence of such reforms and being consistent with them would give me a party of principles, an overall grouping in which we are not concerned with the public scene in which we play or what our role is. The second issue is that of property. Everything must be transparent. There must be a law making everything legal, so that the beneficiaries of the Army and the Police, the demobilized and the peasants, can work the land in peace. Nothing can be hidden. And finally, let the spoils into which they have turned the government via privatization be made clear. That is the duty of Sandinists: To back the transparency of these processes.

[Katin] Will you form a new Sandinist grouping or choose one of those already existing?

[Ruiz] It has never been my idea to form a third force. I will continue to belong. I will be active in the future, now that I see that the country is being mortgaged as if we were at a pawn shop. And I will be active once again.

Panama

New Private Consulting Group To Promote Reverted Areas

PA0411124495 Panama City Telemetro Television Network in Spanish 1730 GMT 1 Nov 95

[FBIS Translated Text] [Station announcer Mariana Fabrega] A new entity has been created to promote the areas that will soon revert to Panama. The entity, called the Interoceanic Development of Panama [Desarrollo Interoceanico de Panama], is comprised by a group of private firms and will serve as a consultant to help investors identify, evaluate, and implement their projects.

[Begin recording of Jose Raul Mulino, president of Interoceanic Development of Panama] It is an idea that came about after many months of study, meetings, and arduous work with the purpose of seeing what we could do to start things going, parallel to the efforts by the government, which I see are valid, a promotion by the private sector abroad, using each one of our own infrastructures. It is, therefore, an effort in response to our responsibility as a country; the short time we have to implement substitute activities that will offset the negative impact from the withdrawal of U.S. military bases in Panama; and, overall, the generation of jobs and secure investments in a region I believe represents the difference between Panama's present and future. [end recording]

[Fabrega] According to Mulino, the promotion of the reverted areas' potential should not be the exclusive domain of the government. He added that, historically, the responsibility for promoting Panama's international services has always rested on the private sector.

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Murdock Extradited to U.S. for National Security Reasons

PA0411151595 Panama City EL SIGLO in Spanish 2 Nov 95 p 6

[By Jose Gonzalez Batista]

[FBIS Translated Text] The recent deportation of Colon Free Zone businessman Israel Murdock, accused of laundering drug-traffic money, took place for reasons of national security and public order.

This is what Immigration and Naturalization Director German Gil Sanchez explained in answering a written note from the Supreme Court to resolve a series of appeals presented by relatives of the businessman.

In spite of the deportation decreed by Panamanian authorities, the relatives presented a habeas corpus arguing that Murdock's arrest by Judicial Technical Police [PTJ] agents in coordination with federal agents [FBI] in New York, was illegal.

Gil sanchez said that according to Panamanian laws, his office "can expel from the country any person for reasons of national security and public order."

The migration file on Murdock reveals he entered Panama in November 1988 and obtained his residence in April 1990. Murdock was deported on 28 October on a U.S. request.

Murdock formed part of a broad money-laundering network to which Colon Free Zone businessman Alberto Laila, being held at the PTJ headquarters, also belonged.

These two businessmen illegally laundered money from drug-trafficking activities by cashing checks bought in New York, for which they used to pay the total amount plus an additional 3 percent.

The charges filed by U.S. narcotics authorities against the two were sent to Panama by Justice John Martin, in charge of the case.

The document establishes that the businessmen did money laundering in south New York through transactions amounting to $500 million.

They traveled periodically to the United States where they bought checks from third parties paying from one to three percent more than the amount of the check, which they then cashed legally in various places.

Lawyer Claims U.S. Pressure in Businessman's Arrest

PA0411151695 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Nov 95

[Report by Orlando Mendieta from the "RPC Television News" newscast]

[FBIS Translated Text] Businessman Albert Laila's defense attorney has denied that Laila has any connection with the attack on an Alas airline aircraft in 1994, in which the plane was destroyed and 21 persons were killed. Orlando Mendieta has this report.

[Mendieta] Albert Laila is under arrest at the PTJ [Judicial Technical Police] at the request of the U.S. Government for an investigation into presumed links with a money laundering operation of more than $500 million. Laila's lawyer, Cesar Guardia, considers that this is a ruse by the United States, which wants to link Laila to the attack on the Alas airplane.

[Begin Guardia recording] Look, the North Americans want to grab hold of anything they can to destroy the commercial giant that the Colon Free Zone constitutes. These intelligence reports do not say anything whatsoever. If you look at Note 852 which was sent to the Foreign Ministry, there is no legal basis to even maintain Albert Laila under arrest. [end recording]

The lawyer said that the United States is exerting pressure on the Panamanian Government.

[Begin Guardia recording] This linking of Albert Laila [to the Alas incident], at this stage of the game and without any real basis, is with the clear intent of discrediting and trying to pressure Panama so that Panama will turn one of its citizens over to the United States. Today it's Albert Laila, but don't be surprised if tomorrow it is Pedro Miguel Gonzalez. [Gonzalez is a suspect in the slaying of U.S. soldier Zak Hernandez] [end recording]

On Monday Albert Laila will undergo questioning in the public prosecutor's office regarding his link to the Alas case, following the discovery in an intelligence report that he traveled several times to the Colon Free Zone with Lebanese citizen Lya Jamal, who has been identified as the man who placed the bomb on the Alas airplane.

Cuban Envoy Says Helms-Burton Bill 'Macabre'

PA0511162895 Panama City LA PRENSA in Spanish 2 Nov 95 p 18A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] Cuban Ambassador to Panama Carlos Mas Zabala yesterday affirmed that the U.S.

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Helms-Burton Bill seeks to frighten away those investors interested in settling in Havana. However, he warned that "we will manage to make discreet transactions" with those who are afraid (despite the embargo, Panama sells more than $300 million worth of U.S. products annually).

The U.S. Senate approved the Helms-Burton Bill, through which the United States seeks to toughen the economic blockade against Cuba. However, President Bill Clinton has yet to sign it. According to U.S. sources, the president is not convinced he will ratify the bill.

At a news conference, the Cuban diplomat maintained that international reaction opposing the bill has been unanimous. Mas described as "macabre" the bill, adding that "we Cubans will not renounce our decision to trade" with foreign investors.

For 32 years, the United States has maintained an economic blockade against Cuba, seeking to brew the conditions to oust Fidel Castro. According to observers, however, it is the Cuban people [and not their leaders] whom this measure is adversely affecting, because their leaders look like they are well-fed. Thirty-two years seems to be sufficient time to determine if a policy has succeeded or failed. In this case, all analysts agree it has failed.

The Cuban ambassador also guaranteed that Havana will always honor all its commercial and economic commitments to investors and pointed out that "we will defend our right to survive, which is what is at stake" now, "at whatever price is necessary."

The Helms-Burton Bill (which the Cuban Government defined as "troglodytical") seeks "to scare away those who are interested in negotiating with Cuba; however, we will manage to make those who are afraid conduct their transactions as discreetly as possible."

Ambassador Mas underscored that "the number of businessmen" investing in Cuba "is high." However, he failed to disclose an approximate figure.

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Argentina

Reportage on Military Industries' Depot Explosion

Depot Blows Up in Cordoba

PY0311135995 Buenos Aires TELAM in Spanish 1258 GMT 3 Nov 95

[FBIS Translated Text] Cordoba, 3 Nov (TELAM) — Superintendent Luis Iturri, the Cordoba Province Fire Department director, has told TELAM that, shortly before 1000 [1300 GMT] today, the Cordoba Health Ministry declared a "yellow alert" in the Rio Tercero area after an explosives depot of the Military Industries detonated one hour earlier.

The source said it is impossible to confirm or estimate the number of casualties. The source announced that about 80 Fire Department units from cities near Rio Tercero, 100 km south of the city of Cordoba, have been called to help in the rescue work.

Minister Confirms Casualties

PY0311144195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1405 GMT 3 Nov 95

[FBIS Translated Text] Buenos Aires, 3 Nov (NA) — A few minutes ago Interior Minister Carlos Corach confirmed some fatalities at the Military Industries explosives depot in Rio Tercero.

The interior minister and other ministers are travelling to Cordoba to become acquainted with the incident. The interior minister said: "A final assessment has still not been made." Nevertheless, he noted that Cordoba Governor Ramon Mestre told him by phone that "casualties have been reported."

Corach made brief remarks at Government House shortly before travelling to Rio Tercero, along with Chief of Cabinet Eduardo Bauza; Alberto Mazza, the health and social action minister; Defense Minister Oscar Camilion; and General Martin Balza, the Army chief of staff.

Population 'Panicked'

PY0311152695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1448 GMT 3 Nov 95

[FBIS Translated Excerpt] Cordoba, 3 Nov (NA) — People panicked and were terrified this morning in Rio Tercero by a large number of explosions at the Military Industries explosives depot in Rio Tercero, with a yet undetermined number of casualties.

The explosives depot, 120 km south of the city of Cordoba, began detonating at about 0900 [1200 GMT]. Two more large explosions were reported at 1130.

The first explosion generated a thick mushroom cloud, causing widespread concern among Rio Tercero residents. [passage omitted]

The incident, the origin of which still remains unknown, forced the provincial Civil Defense authorities to declare a "yellow alert" at all hospitals in the Rio Tercero area.

About 80 Fire Department units went to the site to put out the fire that generated 100-meter-high flames. Ambulances were called to assist the injured people.

The large quantity of materiel stored in the explosives depot has been causing a chain of detonations for various hours, which prevented medical personnel and firemen from quickly reaching the site. [passage omitted]

Province Implements 'Disaster Plan'

PY0311160595 Buenos Aires TELAM in Spanish 1537 GMT 3 Nov 95

[FBIS Translated Text] Cordoba, 3 Nov (TELAM) — In addition to the "Red Alert" declared at hospitals, the government of Cordoba Province at noon today implemented a "Disaster Plan" to overcome the problems following the explosions at the Rio Tercero Military Industries facilities.

Cordoba Governor Ramon Mestre, Cordoba Minister of Government Oscar Aguad, and Cordoba Police Chief Superintendent Carlos Ghigi have arrived at the disaster area by helicopter.

'At Least' 3 Killed, 200 Injured

PY0311171595 Buenos Aires TELAM in Spanish 1607 GMT 3 Nov 95

[FBIS Translated Text] Cordoba, 3 Nov (TELAM) — Colonel Antonio Robinson, the 3d Army Corps chief of staff, today confirmed that about 500 soldiers of the 3d Army Corps have left for the city of Rio Tercero where the Military Industry facilities were affected by an explosion this morning.

Robinson told TELAM that 4th Infantry Brigade troops "will be involved in security operations." They are among the 500 soldiers.

Robinson added that Cordoba Military Hospital doctors and paramedics, Communications Battalion experts, and experts in explosives from the Rio Cuarto and Villa Maria arsenals have also left for Rio Tercero.

Robinson believes the explosions occurred "in the area where explosive charges are handled."

Robinson reported that about 100 people work in the Military Industry facilities in Rio Tercero, but was

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unable to specify how many of them were on duty at the time of the explosion.

Robinson said: "As soon as the experts are able to enter the area, it will be possible to determine what caused the disaster."

[Buenos Aires TELAM in Spanish at 1629 GMT on 3 November adds: "At least three people have been killed and 200 have been injured, four of them seriously, in a violent chain of explosions at the Military Industries facilities in the city of Rio Tercero in Cordoba Province today."]

Menem Arrives at Disaster Site

PY0311204495 Buenos Aires TELAM in Spanish 1953 GMT 3 Nov 95

[FBIS Translated Text] Rio Tercero, 3 Nov (TELAM) — The helicopter carrying President Carlos Menem landed at 1650 at the Rio Tercero Aero Club. Before landing here, the president overflew the area that was affected by the explosion.

Together with several members of his cabinet who are already at the scene, Menem will inspect the zone that was affected by the explosions at the arsenals of the Military Industries facility in order to evaluate the situation in general and the operations to provide assistance that have been implemented since the explosions occurred.

Commander: Explosions No Longer 'Threat'

PY0311214795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 3 Nov 95

[FBIS Translated Text] Rio Tercero, 3 Nov (NA) — General Maximo Grobba, commander of the 3d Army Corps, said after 1600 that the explosions in the Rio Tercero Military Factory "are no longer a threat to the community" because "they are small."

General Grobba said that the arsenal explosion was "presumably caused by an accident" in the projectile assembly plant.

He also said that 25 men were assembling projectiles at the site of the explosion.

He added that members of the Army Airborne unit stationed in La Calera, Cordoba Province, completely "cordoned off" the zone of the explosion.

Death Toll Rises to Nine

PY0311215595 Buenos Aires TELAM in Spanish 2021 GMT 3 Nov 95

[FBIS Translated Text] Rio Tercero, 3 Nov (TELAM) — A source at the Operations Command that has been installed in the local town hall has told TELAM that the number of deaths due to the explosion at the Military Industries facility has now risen to nine.

The report indicates that four workers who were working inside the plant, in an area next to where the explosion occurred, have also died and must be added to the five deaths that the authorities had registered up to noon.

Explosion Due to 'Human Error'

PY0311221695 Buenos Aires TELAM in Spanish 2056 GMT 3 Nov 95

[FBIS Translated Text] Buenos Aires, 3 Nov (TELAM) — Jorge Baeza, secretary of military affairs, stressed this afternoon that the explosion in the Military Industries facility in Rio Tercero was caused through human error, and he rejected the possibility that it had been any type of attack.

In remarks to TELAM, Baeza said that "an employee who was working in the area where projectiles are loaded snagged a percussion fuse on a freight elevator, and this subsequently caused the explosion and fire. The worker and two others who were near him died.

President: Explosion 'Accident'

PY0311233295 Buenos Aires TELAM in Spanish 2108 GMT 3 Nov 95

[FBIS Translated Text] Rio Tercero, 3 Nov (TELAM) — President Carlos Menem this afternoon disallowed that the explosion that occurred this morning in this town was the consequence of an attack.

During a news conference he gave in Rio Tercero's town hall, he said: "The government rejects the possibility of an attack." He added that "it was an accident." The news conference concluded just after 1800.

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 2119 GMT on 3 November, in a report on President Menem's remarks, notes that he "also said that the national government will provide economic assistance for the affected area."]

Number of Evacuees Reaches 10,000

PY0311232595 Buenos Aires TELAM in Spanish 2231 GMT 3 Nov 95

[FBIS Translated Text] Rio Tercero, 3 Nov (TELAM) — Victor Indiveri, the person in charge of the civil defense operation, has reported that, as of 1900, the number of persons who have evacuated the Cordoba Province city of Rio Tercero of their own volition has reached 10,000.

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In remarks to TELAM, the official indicated that 4,000 persons evacuated to Tancacha, a similar number went to Almafuerte, and 2,000 went to Hernando.

Worker: Spark Caused 1st Explosion

PY0411004595 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2307 GMT 3 Nov 95

[FBIS Translated Text] Cordoba, 3 Nov (NA) — One of the employees who was working in the area where the first explosion occurred has stressed that a spark provoked by an elevator presumably caused five arsenals to explode at the Rio Tercero military plant.

"I was in the place when the fire started and, wanting to put it out, we sought the appropriate instruments to extinguish the blaze, but we could not, so when we saw that the fire was advancing and that the place was going to blow up, we sounded the alarm and started running," the worker said in an interview with Radio LV3 of Cordoba City. The name of the worker was not mentioned.

The worker recounted that there were approximately 15 to 20 persons working in the place, and he indicated that he did not know whether everyone got out.

He explained that there was an elevator working, which "caused a spark that, in turn, reached a drum containing explosives, and that was when everything started to happen."

The worker stated that the spark reached a drum filled with TNT, and he added that when the fire began, "we wanted to put it out, but we did not have enough time. We tried to find a hose to extinguish the blaze, but the temperature rose very quickly and we had absolutely no time to do anything."

"At the time of the first explosion, we could not see anything. We were blinded and were running every which way, and this is why I am not sure whether everyone got out," the worker said.

Rescue Operation Suspended

PY0311233695 Buenos Aires TELAM in Spanish 2254 GMT 3 Nov 95

[Report by special correspondents]

[FBIS Translated Text] Rio Tercero, 3 Nov (TELAM) — Chief Superintendent Carlos Ghigi, head of the provincial police, reported tonight that the rescue operations at the military factory of this city, where an explosion occurred that has caused nine deaths, up to this time, have been suspended until tomorrow.

"The perimeter of the factory, including the neighboring Las Violetas and Belgrano housing areas, has been totally cordoned off, and tomorrow we hope to enter the factory itself," Ghigi told TELAM.

Two Chemical Plants Closed Down

PY0411020695 Buenos Aires TELAM in Spanish 2352 GMT 3 Nov 95

[FBIS Translated Excerpt] Cordoba, 3 Nov (TELAM) — The Environment Planning and Programming Directorate of Cordoba today ordered the closing down of the Atanor and Petroquimica Rio Tercero plants, which are based in Rio Tercero, as a precautionary measure in view of the explosions that have occurred in the military plant.

Miguel Clerico, the organization's head, ordered, through a communique, the closing down of the two plants "as soon as the arsenals of the Military Factory began to explode this morning. [passage omitted]

Explosions Expected For 48 Hours

PY0411015195 Buenos Aires TELAM in Spanish 0020 GMT 4 Nov 95

[FBIS Translated Excerpt] Rio Tercero, 3 Nov (TELAM) — General Maximo Groba, commander of the 3d Corps, indicated tonight that the explosions at the military plant of this city will continue for another 48 hours.

Groba explained that "it is impossible" to enter the zone of the arsenal due to the temperatures there, and he warned that there are still some projectiles that will continue to explode, although he clarified that "there is now no danger for the population."

The military officer stated that the explosions are "subterranean and it would be very difficult for them to cause any more damage," and he indicated that the affected sector of the arsenal cannot be entered to start cleanup operations until 5 November.

Unofficial Death Toll 'at Least 13'

PY0411014295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0033 GMT 4 Nov 95

[FBIS Translated Excerpt] Cordoba, 3 Nov (NA) — A series of violent explosions that occurred today in the Rio Tercero military plant, followed by numerous smaller explosions throughout the day, have caused a real catastrophe in a large part of the city, and there have been at least nine deaths and some 250 injured.

Although it has been officially reported that there have been nine deaths, it has been unofficially reported tonight that the death toll is at least 13. [passage omitted]

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President Blames Mexican Crisis for Economic Woes

PA0411162895 Mexico City XEW Television Network in Spanish 0400 GMT 2 Nov 95

[From the "24 Hours" newscast; passages within quotation marks recorded]

[FBIS Translated Text] According to Argentine President Carlos Saul Menem, the high unemployment rate and the bad economic situation in his country are the consequences of Mexico's problems.

[Unidentified reporter] In Argentina, President Menem stressed that his country's current economic woes are linked to the Mexican crisis.

[Menem] "We were doing well; we were doing more than well, until the famous Mexican crisis and its tequila effect took place. Practically all the countries in the region or the continent — not only in the region, because even the United States and Canada suffered the effects of this crisis — were adversely affected."

[Reporter] This is what the Argentine head of state said as he presided the ceremony closing the provincial banks' annual meeting.

[Menem] "We are getting integrated with Brazil, Uruguay, and Paraguay."

[Reporter] President Menem affirmed that unemployment has been slowly reduced. Regarding this issue, he also talked about the Mexican crisis.

[Menem] "The unemployment problem is one of the problems it [not further identified] must share with the private sector. This problem has alarmingly increased taking into account what has occurred lately: the Mexican crisis. However, according to the latest figures we are collecting, this unemployment has stopped and is decreasing slightly, which is a good sign."

[Reporter] With regard to this issue, the president failed to explain if the next unemployment rate will be lower than the 18.6 percent recorded in May 1995.

Businessmen Discuss Labor Sector Problems

PY0311164395 Buenos Aires LA NACION in Spanish 29 Oct 95 p 28

[Report by unidentified special correspondent]

[FBIS Translated Text] San Carlos de Bariloche — IDEA [Institute for the Development of Executives in Argentina] members have suggested that the system to indemnify those who have been fired and the unemployment insurance system should be replaced with a capitalization fund that will be created with new work taxes.

The businessmen said the initiative is based on an unemployment fund that construction workers have been using for more than 20 years. At the end of a job, the construction workers can withdraw their accumulated capital.

Although the final document of the meeting specifically mentions the labor and the social security systems, the conclusions of the businessmen also include requests to maintain stability and openness; reduce public expenditure and make it more efficient; develop the capital market; ensure exemplariness in conduct; and encourage efficiency in the educational sector.

In the chapter on the labor system, legislation to liberalize contracts and set timetables is requested.

The implementation of a new labor risks law and the modification of collective negotiation system are among the topics mentioned.

Among the points on health and social security systems, the businessmen request the substitution of the current system for pensioners in the health sector (PAMI) [Comprehensive Medical Assistance Plan] with a capitalization system of free choice; the reform of family allocations and a reorientation of these toward the lower income sectors; and a reduction of social charges through improved public spending in this sector.

Bolivia

Antidrug Force Subjected to Intervention in La Paz

PY0311195095 La Paz TVB Television Network in Spanish 1700 GMT 3 Nov 95

[FBIS Translated Text] A big news item hit La Paz this morning: The drug plane affair toppled the Special Antinarcotics Force [FELCN].

This morning Victor Hugo Canelas, social defense under secretary, at the head of the Special Security Group, GES, intervened in the FELCN unit in Sopocachi, La Paz, and disarmed all its members. Nearly 100 FELCN members are confined inside the Sopocachi barracks. No chief was spared, not even the FELCN deputy commander or the FELCN department commander, who, like the rest of the FELCN members, will be forced to submit to an investigation.

The intervention in the FELCN includes two projects financed by the DEA, the (OSIAC and JEINIC) [expansion unknown], whose ineffectiveness and possible corruption were detected by the congressional committee that is investigating the drug plane issue.

The FELCN unit in Sopocachi is surrounded by GES members and no one, much less the media, can go in.

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General Simon Sejas Tordoya has ceased being commander of the FELCN, even though he is a member of the group of four generals — two from the Army and two from the police — that will decide on the new structure of the FELCN in 15 days.

This intervention will not affect the investigations under way, as they are being carried out by prosecutors. The intervention, which was the idea of Gen. Sejas Tordoya and which must last 15 days, was really supposed to take place yesterday, but it was postponed as a consequence of the kidnapping of Samuel Doria Medina.

Before traveling to Cochabamba this morning to participate in negotiations with coca leaf farmers, the minister of government gave an explanation on the intervention in the FELCN:

[Begin recording] [Minister of Government Carlos Sanchez] With this measure, we think we are helping the investigation that is being carried out by the Chamber of Deputies committee. The FELCN members will be placed at disposal of the committee, thus avoiding the shameful situations and charges that took place last week.

[Unidentified reporter] Was violence used this morning?

[Sanchez] There has been no violence, but all the FELCN members in La Paz were disarmed. They are being detained until an investigation is made. Their barracks have been totally isolated. I have not heard of any other unusual situation.

[Reporter] Are the FELCN deputy commander and department commander being detained?

[Sanchez] No. They are all in the FELCN unit. Now there will be results. The intervention committee will investigate each member and each task the FELCN must carry out. As you can see, Gen. Sejas, who was the one who called our attention to this problem, is not in command of the institution at present because there has been intervention. He is a member of the advisory committee that is made up of three other officers.

[Reporter] Will all the members of the FELCN be investigated?

[Sanchez] From the humblest police member to the highest-ranking officer that has worked and works there.

[Reporter] What started this, Minister? The statements made at the congressional committee?

[Sanchez] Look, the warning signal was given by Gen. Sejas' letter. When a commander tells you there is no esprit de corps, that there is no institutional interest in carrying out the struggle against drug trafficking, it is terrible. We had asked Gen. Sejas to give us his opinion about what was going on there, and this was his reply. The intervention was delayed for 24 hours as a result of events and circumstances that could not be controlled. [end recording]

The intervention began in the FELCN unit in La Paz, but it will be extended to the rest of the country.

Oil Workers' Strike To Shut Down Pipeline to Argentina

PY0311122095 La Paz PRESENCIA in Spanish 28 Oct 95 p 5

[FBIS Translated Text] Camiri oil workers will close the valves of the gas pipeline going to Argentina on 6 November during their 24-hour strike to protest over the capitalization of Bolivian Government Oil Deposits (YPFB).

Union leaders adopted this measure to make the current government aware of the pressure that is being exerted. Capitalization Ministry officials have stubbornly striven to introduce foreign private capital in this national enterprise.

Compliance with this radical decision, which may harm gas exports to Argentina, has been formally announced by La Paz oil workers union leader German Siles.

This labor sector has awakened from its lethargy thanks to retired workers and has decided to actively engage in the 24-hour strike that the Bolivian Labor Federation (COB) decreed in its latest meeting.

Gonzalo Aguierre, leader of the Trade Union Federation of Bolivian Oil Workers (FSTPB), has said the 24-hour strike in defense of YPFB will be fully observed in all districts.

A commission for the defense of this enterprise, which was created by union delegates, has begun organizing the strike in large districts like Sucre, Camiri, Tarija, and Cochabamba.

During the strike, the workers that supply jet fuel to planes of various airlines will provide fuel at all airports but only for international flights, but not for national flights.

Fuel dealers throughout Bolivia will continue to operate because 90 percent of this activity is managed by the private sector. The sale of liquefied kitchen gas will not be suspended because this activity too is in the hands of the private sector.

German Siles, representative of the La Paz Oil Workers Union before the Departmental Labor Federation (COD), said work will be suspended in oil fields in

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compliance with a decision by the national committee. Refinery boilers will not be disconnected, because such a measure would produce heavy economic losses for YPFB and at least five days would be necessary to restart them.

In Siles' opinion, the 5,000 oil workers have awakened from their lethargy to actively engage in the fight against capitalization.

He said: "They became really aware of what is happening after a thorough analysis of this measure and its consequences for the country and national sovereignty. YPFB is a national asset that will not be handed over to international capital."

Retired oil workers who worked for more than 30 years for the enterprise decided to create surveillance committees at YPFB refineries.

Retired workers' leader Eduardo Davalos told PRESENCIA that, during the 24-hour strike on 6 November, these committees will watch the Valle Hermoso (Cochabamba), Palmasola (Santa Cruz) and Carlos Montenegro (Sucre) refineries.

"Only in this way will workers comply with the 24-hour strike. Retired workers will be deployed at refinery gates to watch and to repel any intervention," Davalos said.

He said: "If the current measures do not yield positive results for the enterprise, retired workers are willing to continue with this effort, and an strike of indefinite strike will be proposed."

Oil workers will this way reappear on the stage of the struggle, after — following a strike in 1988 — more than 500 workers were dismissed by the Victor Paz Estenssoro regime. This measure kept oil workers outside the union struggle for many years.

Brazil

Government Regrets Rabin Assassination, Hails 'Legacy'

PY0611114795 Sao Paulo AGENCIA ESTADO in Portuguese 1527 GMT 5 Nov 95

[Report by Raquel Stenzel]

[FBIS Translated Text] Brasilia, 5 Nov (AE) — The Brazilian Government released on the night of 4 November a communique regretting the assassination of Israeli Prime Minister Yitzhak Rabin and conveying total solidarity to the Israeli people and government. In the communique, the Brazilian Government also expresses its confidence that the "legacy of courage, tolerance, and peace" left by Rabin will serve as an inspiration for the continuity of the peace process in the Middle East. In addition to the official communique, President Fernando Henrique Cardoso and Foreign Minister Luiz Felipe Lampreia today sent personal cables to Israeli Foreign Minister Shimon Peres, who was planning to visit Brazil at the end of November.

This is the full text of the official communique released by the Brazilian Government:

"The Brazilian Government has learned, with great consternation, about the assassination of Prime Minister Yitzhak Rabin, which occurred this afternoon. The Brazilian Government deeply regrets the tragic episode that claimed the life of the great Israeli leader, who has been one of the architects of peace in the Middle East. In this moment of sorrow, the Brazilian Government and people express to the friendly Israeli people their fullest solidarity.

Yitzhak Rabin has left a precious legacy of courage, tolerance, and peace that won him a deep international appreciation. Rabin's legacy will serve as solace for the Israeli nation that is now mourning him and as an inspiration for the continuity of the peace process in the Middle East."

[Sao Paulo AGENCIA ESTADO in Portuguese at 2025 GMT on 5 November adds: "Vice President Marco Maciel will represent the Brazilian Government at the burial of Israeli Prime Minister Yitzhak Rabin on the morning of 6 November."]

California Fruit Imports Suspended; U.S. Mission To Visit

PY0411030395 Sao Paulo GAZETA MERCANTIL in Portuguese 1-2 Nov 95 p 1

[Article by Maria Helena Tachinardi]

[FBIS Translated Excerpt] The Brazilian Government suspended, on 31 October, California fruit imports because the fruit is contaminated with "Bactoceres Dorsalis." The Brazilian Government has adopted this stance in compliance with all the agreements signed with the WHO in the fields of sanitation and plant anitation control. The government alleged that Brazil has eliminated this plague, which is similar to the fruit fly plague, and cannot run the risk of having its plantations harmed.

As a result of the Brazilian Government's position, a U.S. mission will visit the country on 12 and 13 November to begin negotiating a sanitation and plant sanitation bilateral accord. Imports of California fruit from San Mateo, Los Angeles, Orange, Santa Clara, and Ventura counties have also been forbidden by the governments of Argentina, Chile, Uruguay, and

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Paraguay. Like Brazil, these countries are members of the Southern Cone Vegetable Sanitation Council (Cosave). [passage omitted]

Nuclear Official Replaced To Speed Up Angra-2 Construction

PY0311153695 Rio de Janeiro JORNAL DO BRASIL in Portuguese 31 Oct 95 p 2

[Article by Tania Malheiros]

[FBIS Translated Text] Just a few days before installing the main equipment at the Angra-2 nuclear plant, including the reactor vessel, the government replaced the president of Nuclebras Engineering, Inc. (Nuclen). As a result of the decision by Mines and Energy Minister Raimundo Brito, Nuclen will cease to be headed by Evaldo Cesario de Oliveira and will pass to Ronaldo Fabricio, who was president of Furnas Electric Power Plants, Inc. from 1993 until last June. Antonio Jose Imbassahi da Silva, president of the Brazilian Electric Power Company, Inc., will install Fabricio as Nuclen president on 31 October.

Oliveira will remain at Nuclen, but as a director. Fabricio was replaced at Furnas by Luiz Laercio Simoes Machado. Fabricio worked as Nuclen superintendent from 1977 to 1986. The new Nuclen president told JORNAL DO BRASIL that Angra-2 "is fundamental because the demand for energy in the Southeast Region has increased more than expected due to the country's economic stability." He says the current goal of Nuclen is to speed up the construction of Angra-2.

Nuclen is linked to Furnas and its basic objective is to conduct all engineering projects required by Angra-2, in addition to assisting in the electromechanical assembly of the nuclear plant whenever this stage begins. All personnel working for the nuclear area of Furnas spent the afternoon of 30 October at a meeting at the state-owned company's headquarters. They analyzed the bids of 19 companies that are competing to assemble the Angra-2 equipment.

Furnas promised to report the bidding results on 23 October, but this had to be postponed because the state-owned company was unable to solve all the technical problems in the process. The enterprise or consortium of enterprises that wins the bidding will receive nearly $150 million. The assembly work will probably begin in January.

Angra-2 is part of the Brazil-Germany nuclear agreement package signed in 1975. So far, 98 percent of Angra-2 civil construction work has been completed at a cost of $4.6 billion. To begin operating by 1999, another $1.4 billion is needed.

Review of Port Agreements With Paraguay Sought

PY0311143495 Sao Paulo GAZETA MERCANTIL in Portuguese 31 Oct 95 p A3

[Article by Claudia Safatle]

[FBIS Translated Text] The Brazilian Federal Revenue Service believes exports through the Paraguayan customs clearance posts in the ports of Santos, Sao Paulo, and Paranagua, Parana State, amount to nearly $12 billion per year. In an effort to stop clandestine activities, the Federal Revenue Service wants the Brazilian Government to modify the agreements it signed with Paraguay in 1941 (to open a customs clearance post in Santos) and in 1956 (to open another in Paranagua).

However, there is a small problem: The 1941 Agreement was a war compensation. It was signed 60 years after the war against Paraguay and followed a visit by the then Brazilian President Getulio Vargas [1930-1945] as a pioneer Brazilian initiative promoted by the Foreign Minister at the time, Oswaldo Aranha. The Brazilian Foreign Ministry considers it a symbolic agreement. Under the terms of the agreement signed at the time, the Brazilian Government assumed all expenses of the customs post and any change or request for repeal of the agreement requires one year's notice.

The same principle of establishing friendship ties with the Paraguayan people inspired the opening of the customs clearance post in the Port of Paranagua in 1956 and then another one in the Port of Rio Grande in 1988 for grain imports (as published). Beside marking a gesture of closeness with this neighbor, these agreements have the strategic justification of not leaving Paraguay at the mercy of Argentina because otherwise, the River Plate would be Paraguay's alternative route to the sea.

After nearly 50 years, Brazil now faces a problem. The Paraguayan customs clearance posts in Santos and Paranagua are clearing 1,500 containers per month whose merchandise does not go to Paraguay. Their contents are unloaded tax free and are sold in Brazil. Sometimes the contents do go to Paraguay but are then smuggled back into Brazil. The Revenue Service estimates this amounts to $1 billion per month — or at least $800,000. It is difficult to estimate clandestine activity figures.

Seeking to restrict imports through Ciudad del Este, the Federal Revenue Service is redefining purchase quotas for Brazilian citizens coming from Ciudad del Este. The current limit is $250 per person. The intention is to lower it to $100 and to restrict the amount of a similar merchandise to two units per person.

The problem, however, is not limited to small-scale smugglers. Brazil lacks a border control policy and the

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instruments to discipline its foreign trade. Brazil has opened its economy but it has not prepared itself to face "dumping" practices or subsidized exports, and has not properly equipped its customs offices along its sea and land borders.

The economic area of the administration wants the Foreign Ministry to renegotiate the 1941 and 1956 agreements with Paraguay. It wants the inclusion of a clause that will allow Brazilian customs agents to control Paraguayan containers. Therefore if they contain merchandise meant for Paraguay they would be authorized to pass, but not other kind of merchandise. The economic area also wants to establish a strict border control on the Friendship bridge in Ciudad del Este.

To prevent the evil from spreading, the Brazilian economic area totally opposes the Paraguayan Government's intention to transform Ciudad del Este into a free zone and attract Taiwanese businessmen to the area. Brazil and Argentina firmly oppose this idea because their production would be sold in the Mercosur with zero import tariffs.

However, the southern Brazilian congressional bloc resists the administration's ideas and has already asked President Fernando Henrique Cardoso not to adopt measures to control the movement that currently maintains Ciudad del Este.

Brazilian diplomacy believes that before renegotiating "such a symbolic agreement in the relations between the two countries" it would be better to comply with other stages, like better border control.

A bilateral work group has been created to solve lower-level issues. It will work as a communications channel and consequently as a deterrent for irregular trade practices in the area.

Roundup of Economic Reports Through 2 Nov

PY0311013895

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 2 November.

FINANCIAL OPERATIONS

The Central Bank Exchange Department has reported that a total of $2.931 billion in foreign currency entered Brazil in October, $1.98 billion of which went to the stock exchanges and $951.3 million is the Brazilian trade exchange surplus. This has been the third largest capital inflow thus far this year. A record amount of foreign capital was reported in August, when the exchange market had a $5.34 billion surplus. In July, the incoming foreign capital totaled $3.98 billion. The net movement of foreign currency on the exchange market totaled $10.43 billion from January to October. (Sao Paulo AGENCIA ESTADO in Portuguese 2340 GMT 1 Nov 95)

The Bahia Environmental State Council today granted a license on 1 November to the Veracruz Forestal Enterprise to implement a cellulose-production project in the southern end of Bahia State. After defeating opposition from a Greenpeace group, Veracruz will be able to invest $1.3 billion in the cellulose project, which will consist of planting 96,000 hectares of eucalyptus trees, the raw material for pulp. The Veracruz factory is expected to go into operation by 2001, producing 750,000 tonnes of cellulose annually. Greenpeace claimed that the project would damage the environment. (Sao Paulo AGENCIA ESTADO in Portuguese 1642 GMT 1 Nov 95)

On 31 October, the Senate Economic Affairs Committee authorized the National Treasury Secretariat to issue $3 billion in bonds on the international market. The money raised through these bonds will be used to reduce the domestic debt in bonds. The committee thus rejected a request by Senator Vilwon Kleinubing of the Liberal Front Party, Santa Catarina state, that the proceeds of these bonds be used to reduce the Brazilian foreign debt. Earlier this year, the Brazilian Government issued $2 billion worth of bonds on the Japanese and German markets. The bill is scheduled to come up for a vote on the Senate floor next week. (Sao Paulo AGENCIA ESTADO in Portuguese 2219 GMT 31 Oct 95)

The South Korean industrial group LG will invest $50 million in Brazil early in 1996 to set up two factories of electro-electronic equipment. LG, whose sales volume totaled $47.5 billion in 1994, chose Brazil in light of its an advantageous location, from where it can reach all of South America. LG, which manufacturers Goldstar electronic equipment, has another factory in Mexico. A team of LG executives are scheduled to visit Brazil in November to pick the location of the two factories. A factory, which will be located in Manaus, will manufacture video cassette recorders, TV sets, and microwave ovens. Another factory, which will be located in Sao Paulo State, will manufacture video monitors. The Sao Paulo cities of Taubate, Sao Jose dos Campos, Rio Claro, Ribeirao Preto, Americana, and Itabiuna are possible locations for this factory. (Sao Paulo GAZETA MERCANTIL in Portuguese 30 Oct 95 p C2)

PRIVATIZATION

President Fernando Henrique Cardoso today attended the signing ceremony of the first two contracts whereby

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concessions have been granted to private companies to manage the Dutra highway, which links Rio de Janeiro to Sao Paulo; and the BR-040 highway, which links Rio de Janeiro to Juiz de Fora. The Camargo Correia and Andrade Gutierrez construction companies will manage the Dutra highway and the Norberto Odebrecht company will manage the BR-040 highway. The concessionaries will have to invest 700 million reals, R, in the Dutra highway and R300 million in the BR-040 highway during their 25-year concessions. The National Highway Department will supervise the road repair and maintenance work as well as their operation. Six months after the administration of the highways has been turned over to the concessionaries, they will be allowed to collect tolls. (Sao Paulo AGENCIA ESTADO in Portuguese 2103 GMT 31 Oct 95)

The Brazilian Association of Independent Producers of Electricity, Apine, was founded on 26 September with the objective of laying down clear rules that would reduce the risks for private companies to invest in the Brazilian power sector. Apine, which is based in Brasilia, will focus its attention on issues such as rates and solutions to render power transmission costs feasible. Apine consists of 16 members — international and local companies included. They are: Iven, ABN-Amro Bank, Banco Graphus, Desenvix, Copelmi, Inepar (Parana Electromechanical Industry), Bechtel, International Generating Company, Scudder, Stevens Clark, AES Corporation, BTB Group (British Gas, Tenneco Gas, and Broken Hill Proprietary), Cenebra, Westcoast Energy, Promon, and Andrade Gutierrez. Roberto de Moraes Maisonnave, chairman of the Apine board of administration, said: "We are of course in favor of the privatization of the power sector, but we find it necessary to reorganize the market and to establish clear rules for investors." (Sao Paulo GAZETA MERCANTIL in Portuguese 31 Oct 95 p C5)

TRADE ISSUES

Brazil, which launched its Alcohol Production Program in the 1970's, has become a major importer of fuel alcohol. From January to August this year, Brazilian imports of fuel alcohol have totaled $290 million, which is already larger than the total imported in 1994. In June, the National Fuels Department issued a decree authorizing the addition of fuel alcohol to gasoline. To this end, fuel alcohol import duties were reduced from 20 to 4 percent for the period 1 June-30 November. The Brazilian Government estimates that Brazil will have to import 1.8 billion liters of fuel alcohol in 1996. Consumption of fuel alcohol and gasoline has increased by 20 and 21.8 percent, respectively, as of September. Sugar mills have chosen to devote their cane production to making sugar, which has a rising price on the international market, instead of making fuel alcohol. As of September, Brazilian sugar exports totaled $1.3 billion, which represents a 78.8 percent increase compared to that exported during the same period in 1994; that is, $710 million. (Sao Paulo GAZETA MERCANTIL in Portuguese 31 Oct 95 p A5)

Luiz Milton Veloso Costa and Renault de Castro, the Brazilian government officials who are serving on the Brazilian Coffee Committee, have urged coffee exports to abide by the 3-million bag export ceiling set for the last quarter of 1995. Brazilian exporters exceeded by 10 percent the 3-million bag ceiling in the previous quarter. Costa, who is the commercial policy secretary at the Industry and Commerce Ministry; and Castro, director of the National Coffee Department, urged the coffee exporters to respect the agreement signed by Brazilian President Fernando Henrique Cardoso with presidents of other coffee-producing countries in Bariloche, Argentina, during the recent Ibero-American summit held there last month. (Sao Paulo AGENCIA ESTADO in Portuguese 1748 GMT 1 Nov 95)

COMMERCIAL VISITS, OVERTURES

A British delegation of 40 businessmen is visiting Brazil. The delegation is led by the Duke of Kent, who is scheduled to meet today with President Fernando Henrique Cardoso. Barry Adams, president of the British Gas subisidiary in Brazil, has said that his company is interested in investment projects to set up piped gas facilities in Brazilian cities. Adams said British Gas would like to set up partnerships with private companies and with state administrations. British Gas is interested in participating in the privatization of CEG, the State Gas Company. Paul Zuckerman, the coordinator for the British side of the Brazil-United Kingdom Business Council, said the British businessmen are interested in the privatization of power, telecommunications, gas, and water companies. Zuckerman noted, however, that the British businessmen demand clear rules in order to invest in Brazil. (Rio de Janeiro O GLOBO in Portuguese 1 Nov 95 p 29)

Brazilian Vice President Marco Maciel today met in Tokyo with Shoichiro Toyoda, president of the Japanese Industrial Federation, and arranged a meeting of Brazilian and Japanese businessmen in Sao Paulo in February to discuss new trade opportunities and investments in Brazil. The Japanese businessmen are interested in the privatization of the Rio Doce Valley Company, CVRD. Maciel described as positive his four-day visit to Japan. (Sao Paulo AGENCIA ESTADO in Portuguese 0039 GMT 2 Nov 95)

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Chile

President To Attend Army Commanders' Bariloche Meeting

PY0411030295 Madrid EFE in Spanish
2013 GMT 3 Nov 95

[FBIS Translated Text] Santiago, 3 Nov (EFE) — Chilean Army Commander General Augusto Pinochet will leave on Sunday for San Carlos de Bariloche, Argentina, to attend the Conference of Armies of the Americas, the institution has confirmed.

According to reports released today, Army Deputy Commander General Guillermo Garin has officially confirmed the presence of the former president (1973-90) at the Conference of the Armies of the Americas, which will be held from 6 to 10 November.

Present also at the conference, which has been held every two years since 1960, will be the top Army commanders of the continent. It was also reported that the meeting will be held under strong security measures.

The high-ranking officers will mainly discuss "the challenges of the state-nation, their consequences on continental security, and their effects on Latin American armies."

General Garin declined to give further details on the Chilean position vis-a-vis this meeting, although he said that it will be what the institution has always maintained, a stance that, in essence, focuses on professional matters and activities according to institutional rules.

'Arafat Promises To Visit Chile in 1996

PY0311124895 Santiago EL MERCURIO in Spanish
2 Nov 95 p C2

[FBIS Translated Excerpt] PLO President Yasir 'Arafat has promised to visit Chile next year. During his visit, among other things, he will invite Chilean businessmen and investors of Arab origin to invest in the autonomous territories and to support the development process of PLO settlements.

This was confirmed by Ambassador Carlos Klamer, Foreign Ministry director for Europe, Africa and the Middle East, to EL MERCURIO during a telephone conversation from Amman, Jordan. Klamer is participating in a meeting during which it was agreed to establish a special bank to finance development projects in the region.

Chile was one of four Latin American countries invited to this important meeting during which different governments discussed the adoption of measures to back the economic development of Africa and the Middle East in view of the success of the peace process. [passage omitted]

President Announces Accord on Human Rights Bill

PY0411020195 Santiago Universidad Catolica Television Internacional in Spanish
0000 GMT 4 Nov 95

[Report from La Moneda Palace by Patricia Silva]

[FBIS Translated Text] A few minutes ago, President Eduardo Frei addressed the nation over various media sources to give some good news about the human rights draft bill. It should be recalled that the congressional Constitution, Legislation, and Justice Committee has been discussing this bill for the past two and a half months. Today Frei announced a definite agreement between the Coalition of Parties for Democracy and the opposition. Let us see what the head of state said:

[Begin Frei recording] I am sure that if this positive attitude prevails, this draft bill I proposed to the country will be approved. If so, we will be taking a decisive step toward a national reconciliation and the restoration of a full democracy in Chile, which is the key purpose of my proposal. [end recording]

Colombia

Reaction to Murder of Former Presidential Candidate

President: 'Reign of Terror' Disallowed

PA0311201495 Madrid EFE in Spanish
1820 GMT 3 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 3 Nov (EFE) — Colombian President Ernesto Samper warned today that his government will not allow that Alvaro Gomez Hurtado's death "be the start of yet another reign of terror" for the country.

Gomez Hurtado was assassinated on Thursday by unidentified persons in a street in northern Santa Fe de Bogota when leaving the Sergio Arboleda University, which he had founded 12 years ago. He taught Colombian art and culture history.

Samper stressed that his administration "will not allow" further acts of violence and said that he "is taking all measures and making use of all legal instruments in his hands to give back peace and tranquility to Colombians."

When speaking in an act to commemorate National Police's 104th anniversary, Samper also said that "we live in a country under threat," just as the assassinated Conservative leader used to say.

"How right he was," added Samper, and admitted that in Colombia, "parliamentarians, judges, journalists,

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entrepreneurs, union members, public officials, and even members of the frock are all in one way or the another victims of the permanent threat against our lives and our families."

He highlighted that these "are not paper threats, this is a crude reality, which we have the obligation to face, as we have been doing, each one from his own vantage point."

Ernesto Samper reiterated that those who believe they can interfere in the parliament, through threats and intimidation, are mistaken.

Also mistaken, he added, are those who attempt to "undermine the confidence and determination of our entrepreneurs, farmers, and cattle ranchers; or who attempt to silence the workers' ongoing, enriching, and democratic struggle."

He went on and added that neither "will the violent be able to overpower with their actions the bravery of our judges and prosecutors, or persuade teachers to flee, taking away the hope for a better future for our children."

They are mistaken, he highlighted, "those who believe that these incidents serve to destabilize the government" and those who also consider "that these actions create cracks within the state and its institutions."

The Colombian president underscored that his government will continue fighting drug trafficking "with the same energy and tenacity, not because of international pressure, but as the result of an intimate and deep conviction on the need to wipe out once and for all that scourge."

Man 'Forced' To Participate in Killing

PA0411022195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 4 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] A man turned himself in at the 21st District Attorney's Office in Aguachica, Cesar Department. The man claimed he was forced to participate in the assassination of conservative leader Alvaro Gomez Hurtado. The "Seven O'Clock Newscast" has the scoop.

The man identified himself as Raul Venecia Charry. He turned himself in to District Attorney Gloria Catiani this morning saying he was forced to participate in the assassination of Alvaro Gomez yesterday morning.

The "Seven O'Clock Newscast" received no information on the final results of Venecia's statements, which were prolonged for several hours, but he apparently said two men forced him to fire a weapon at Alvaro Gomez.

Venecia said he immediately went to Aguachica, because he was very scared and because he knew some people there. At the request of Prosecutor Catiani, the man underwent a psychological test, but nothing wrong with him was found.

The Santa Fe de Bogota Prosecutor General's Office is now waiting to see whether this man's statements have any value to the investigation.

Group Claims Responsibility

PA0411124195 Madrid EFE in Spanish 2022 GMT 2 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 2 Nov (EFE) — The group called "Movement for the Dignity of Colombia" today claimed responsibility for the murder of former conservative presidential candidate Alvaro Gomez Hurtado.

A man, who said he represented this unknown group, called by telephone on several news media to claim responsibility for the attack on the political leader of the Conservative Party. The authorities, however, have said they are unaware of that group's existence.

This is the same group that on 27 September also called on several news media to claim responsibility for another attack that day on President Ernesto Samper's attorney, criminal lawyer Antonio Jose Cancino, who was injured, while two of his aides were killed.

On that occasion, as today, the unknown person called on radio stations, television newscasts, newspaper editorial rooms, and international agencies, announcing "the beginning of an escalate" in attacks "to destabilize" the country.

[Paris AFP at 1757 GMT on 2 Nov adds the following: "The man, who called the newscast, stated that he spoke on behalf of the 'Movement for the Dignity of Colombia,' which seeks the resignation of President Ernesto Samper, for his campaign's alleged ties to drug trafficking. The newscast indicated that the man threatened to kill several of the country's personalities in the event that the president did not resign."]

ELN Union Expresses Regret Over Murder

PA0411034295 Mexico City NOTIMEX in Spanish 0238 GMT 4 Nov 95

[FBIS Translated Text] San Jose, 3 Nov (NOTIMEX) — The Camilista Union of the Army of National Liberation (UCELN) expressed regret today over the murder of

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Alvaro Gomez Hurtado and rejected "any ruse" to attempt to blame it for the crime.

In addition to expressing regret over the event, the UCELN charged that Colombia's political leaders are responsible for the politician's assassination.

In a communique, the UCELN said the crime was despicable but also said it is "regrettable and outrageous that the leading class, which is attempting to govern the Colombians, is ordering the murder of its leaders without any regret."

The communique states that historically the governing class of this South American country "has resorted to violence to surmount its contradictions and to quell the social unconformities of the grassroots majorities. "

"The alleged material authors of the homicide will certainly be caught, but the intellectual authors will never be presented (in a courtroom) even if we know their first and last names," the guerrilla report stated.

"The UCELN rejects any ruse that can be attempted to blame us for this event," the communique, which was sent to national and international media sources, stated.

The guerrillas also charged that "the internal disturbance measures taken due to this event are going to boost the war and will become a smokescreen to cover up the criminals that are encroached in the government."

President Confirms Members of Military Command Staff

PA0311224595 Madrid EFE in Spanish 2032 GMT 3 Nov 95

[FBIS Translated Text] Santa Fe de Bogota, 3 Nov (EFE) — A Defense Ministry spokesman has announced in Santa Fe de Bogota that Colombian President Ernesto Samper today confirmed all the members of the military command staff in their respective positions.

The following commanders were confirmed: Military Forces General Camilo Hernando Zuniga Chaparro; Army Gen. Harold Bedoya Pizarro; Air Force Gen. Hector Hernando Gil Nieto; and Navy Admiral Holman Delgado. Gen. Rosso Jose Serrano Cadena, director of the Colombian Police, was also confirmed in this position.

The official source has announced that the only change registered is the one of Gen. Eddy Pallares Cote, the Joint Chiefs of Staff commander, who is going into retirement and has been replaced by Gen. Ramon Eduardo Niebles Uzcategui.

Defense Minister Luis Carlos Esguerra has said "the upheaval many people expected had not occurred" after the military line of command had been confirmed.

It is traditional for changes to take place in Colombia's military command staff during the last two months of the year. The source has said there will be changes at the division, brigade, and department command levels in the four military branches in upcoming weeks.

Samper and Minister Esguerra signed the decrees of confirmation and change.

Radio Stations Shut Down for Operating Without License

PA0511031495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 5 Nov 95

[From the "AM/PM" newscast]

[FBIS Translated Text] A total of 104 radio stations that operated without a Communications Ministry license were shut down by the National Police. The authorities confiscated consoles, transmitters, microphones, antennas, signal receivers, turntables, satellite dishes, and other equipment.

[Madrid EFE in Spanish at 2330 GMT on 4 November transmits a 140-word item saying that "some of the 104 radio stations were being used by guerrilla groups to broadcast without a license," according to official sources.]

House, Senate Committees Approve VAT Hike

96P20069A Santa Fe de Bogota EL TIEMPO in Spanish 26 Oct 95 p 1B

[FBIS Translated Text] Beginning next year all Colombians will have to pay an additional 600 billion pesos due to the increase in the value added tax (VAT).

Neither strong opposition from economic associations, nor the Conservative Party and some Liberal Party legislators succeeded in preventing the congressional economic committees from approving an increase in the VAT from 14 to 16 percent.

Neither arguments against [the tax increase] nor the label "lying government," which was continually repeated in the Senate plenary chamber, were sufficient to defeat the initiative.

It took only three hours to obtain a majority which cleared the way for the much debated article 14 of the tax reform bill which will require all Colombians to pay higher taxes.

When Senate President Luis Guillermo Velez called for the vote and proposed that those in favor of increasing the VAT stand up, 15 House representatives and nine senators got to their feet. When he asked those opposed

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to stand, nine House representatives and six senators did so. There were 24 in favor and 15 opposed.

Three senators—Piedad Cordoba, Carlos Garcia Orjuela, and Guillermo Ocampo—who had been opposed to an increase in the VAT, apparently changed their mind at the last minute. Rodrigo Echeverry did the same.

And although the debate by the plenary of the House and the Senate has yet to take place, the Conservatives, and some Liberals who opposed it to the end, are mostly in agreement that they have already been defeated, since they view as unlikely the possibility of changing the course of the VAT.

Finance minister Guillermo Perry appeared pleased with the majority decision and explained that the two points, which mean an additional 600 billion pesos in income for the government beginning next year, will be earmarked entirely for social programs.

Perry said the money was guaranteed to go to social programs and he gave assurances that the VAT will not penalize those who are poorest because only 22 percent of the products in their market basket will be affected by the tax.

He emphasized that food items, rent, transportation, health care, and education are, and will continue to be, exempt from the tax.

Responses

Prior to the vote, when discussions indicated the tax increase had been agreed on, several senators expressed their views.

Juan Camilo Restrepo, who criticized the increase to the very end, said that to raise the VAT is to invite higher levels of [tax] evasion. "No country in the world that is half-way sensible would think of raising taxes while having the indicies of evasion that Colombia has."

He also said that, in an effort to show why the increase was necessary, the government presented stauistics which were illusory and wrong. "They presented the country with a false dilemma: "Do you want social investment?.. Then pay a higher VAT."

According to the Conservative senator, a reduction of less than two percent in functioning expenditures next year would be sufficient to eliminate the need for a tax increase.

Restrepo Salazar emphasized that the tax is regressive, even though the family basket may be exempt, since 30 percent of the income of the middle class is spent on goods covered by the VAT. He also noted that, as long as this occurs, the savings of the rich will not be taxed. "It is inopportune given the country's current situation. It will encourage and reward contraband since legal imports will pay for it," he emphasized.

Conservative representative Gabriel Zapata said that, with this decision, "things will start getting difficult for the president," because Colombians feel tricked.

He said that at the next Conservative convention to be held in November the party will ask for President Samper's resignation because, with this decision, he mangaged to distance himself from the Liberal Party.

Jaime Arias said that "he acknowledged the Conservative Party's defeat," but would continue fighting up to the last moment.

Pablo Victoria, representative from Valle del Cauca, who was visibly upset, replied that "the Liberal Party deserves that victory since is it legitimate to make politics with the Colombian people's money."

Fernando Tamayo said that the government lied not only to the Conservatives, because it signed an agreement with them not to raise taxes, but to the country's Congress.

Camilo Sanchez, a Liberal, said that to raise the tax is a big political error which will have to be paid for sooner or later. He congratulated Minister Perry because "he is the only one to achieve an increase of 4 points in the VAT. Something not even Hommes was able to do."

Victor Renan Barco, the bill's sponsor [ponente], explained that contrary to what people think, a study by the Central Bank shows that the VAT is a neutral and progressive tax and that persons in the lower income brackets are excluded from paying it.

Meanwhile, in the Senate Seventh Commission a proposal presented by legislator Alfonso Angarita was approved asking the government that one of the two additional points of the IVA be designated to finance public pension funds.

Cartel Influence on Political Fora Probed

96CA0031A Santa Fe de Bogota EL TIEMPO in Spanish 22 Oct 95 pp 3, 23A

[FBIS Translated Text] There is evidence that the Cali cartel influenced the congressional debates on dismantling the regional courts, lessening the power of the Prosecutor General's Office, and granting excessive benefits for surrendering to the authorities.

The Criminal Appeals Division of the Supreme Court is investigating the scope and source of the financing for seven fora that were organized by subcommittees of the

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Senate and House of Representatives starting on 3 June 1993.

Advisers of the Cali cartel and relatives of Gilberto and Miguel Rodriguez Orejuela reportedly played an active role in the fora, whose purpose was to debate the surrender policy and the reforms of the Criminal Procedure Code that were in the pipeline.

The outcome of the discussions was broader benefits, as embodied in the code, for those who turn themselves in to the authorities and an offer by the drug underworld to surrender en masse to the authorities.

On 21 October 1993, the houses of Congress received written offers from attorneys who said they represented more than 300 drug traffickers from Valle, the coast, Antioquia, and Santander. Without exception their clients offered to surrender and to dismantle their businesses, provided that certain legal conditions were met.

What the court has found most noteworthy is the source of the some of the funding. Based on initial evidence, more than one forum was paid for by Inversiones Ara, a firm that the Prosecutor General's Office has pointed to as cartel front.

"This investigation could determine, once and for all, whether drug traffickers pressured and influenced the lawmakers in defining the policy of surrendering to the authorities in 1993," a source at the court said.

In the judgment of experts and of the government itself, the guidelines for turning oneself in created excessive legal benefits for the drug kingpins and made a mockery of the surrender policy.

Therefore, although the Prosecutor General's Office forwarded the files of 19 lawmakers and former lawmakers who appeared in the Cali cartel accounting books to the court, its Criminal Appeals Division has extended its investigation.

The Committees

At the suggestion of lawmakers Gustavo Espinosa, Rodrigo Garavito, and Humberto Pelaez Gutierrez, the Senate and the House each appointed a subcommittee to look into "the problems of drug trafficking in Colombia, its consequences, and the State's capacity to crack down on it." This appears in the minutes of each chamber.

At first glance the lawmakers' objective was to organize open fora, attended by parties interested in discussing the problem of drug trafficking. The Corporacion SOS Colombia, Viva la Ciudadania, and regional authorities cooperated in holding the discussions.

The meetings took place in the Barranquilla Departmental Assembly, in the Bucaramanga and Medellin city councils, at the seat of the Fourth Senate Committee in Bogota, and at the Cali Chamber of Commerce.

It was the 9 September 1993 forum in Cali that caught the authorities' attention.

A delegation of the subcommittees traveled to that city. Representing the Senate were its then president, Jorge Ramon Elias Nader, Second Vice President Orlando Vasquez, Gustavo Espinosa, Hugo Castro Borja, Bernardo Gutierrez, Fernando Mendoza, and Pelaez Gutierrez as coordinator.

The delegation from the House of Representatives was chaired by Francisco Jose Jattin and included Rodrigo Garavito, Cesar Perez, Jorge Eliseo Cabrera, Jairo Ruiz, Ramiro Lucio, Jaime Lara Arjona, Yolima Espinosa, and Miguel Motoa.

During the searches that the Special Joint Command (CEC) conducted at the Intercontinental Hotel, it found invoices for the lawmakers' expenditures during the time that the forum was being held in Cali. The invoices were paid by Ara.

Lodging, restaurant, and bar bills ranging from 95,000 to 150,000 pesos were paid by the company (these amounts appear, for example, in the accounts of Attorney General Vasquez Velasquez and Senator Jattin).

Only the airfare to the cities in which the forums on drug trafficking were being held were paid out of the congressional budget.

The Supreme Court is looking into the other bills to determine which ones the cartel may have paid and for whom.

For the time being, these pieces of evidence, among others, prompted the court to open a preliminary investigation into Attorney General Vasquez and lawmakers Garavito, Jattin, Lucio, Lara Arjona, Elias Nader, and Gustavo Espinosa.

EL TIEMPO found that a female relative of Miguel Rodriguez Orejuela and several acknowledged advisers to the cartel attended the fora and, later, the congressional debates. Attorney Juan Fernandez Carrasquilla and Pedro Pablo Camargo were present at the latter.

At the closing forum in Bogota a woman lawyer showed up with two letters, one from Miguel Rodriguez and the other from Gilberto.

Both mentioned the possibility of turning themselves in and getting out of the drug business if the terms were favorable and the government played fair with them. The letters were read to the participants at the conference.

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Surrender Policy

The investigators are wondering for what purpose and to what degree drug traffickers influenced the fora.

According to the Congress of the Republic's GACETA 466, which was attached to the section of file 8,000 that went to the Supreme Court, the fora arrived at the following conclusions: phase out the regional courts, encourage the gradual decriminalization of drug use, strip the Prosecutor General's Office of investigative powers, and create legal benefits for drug traffickers who cooperate with the authorities.

Congressional committees managed to embody all of the objectives of the surrender policy outlined at the fora in their reform of the Criminal Procedure Code.

This is on the record in GACETA 466. "As of the date of this report and its findings (16 December 1993), Bill No. 81 of 1993 (amendments to the Criminal Procedure Code) has been passed by Congress and approved by the administration; the benefits for effective cooperation with the justice system have thus become law."

The reform embodied benefits that have degenerated into what the administration and the Prosecutor's Office have described as "absurdly light penalties" for drug traffickers.

Moreover, gaps remained in the enforcement of the penalties that were going to be imposed; according to a report from the Justice Ministry last February, this enabled judges to sentence drug gang members to minimum prison terms.

All in all, as U.S. Attorney General Janet Reno said at the time, the law turned into a surrender policy that directly helped the drug cartels.

[Box, pp 3, 23A]

Lawmakers Who Attended the Meetings Comment

Humberto Pelaez Gutierrez

"I was the coordinator of the fora for the Senate but I never knew that the Cali cartel or its companies were involved in them.

"All people interested in the issue of drug trafficking took part in the conferences; it was an open forum, and that was the intention.

"I did not see any unusual persons at the forum. I learned that one of the Rodriguez Orejuela daughters was in Cali; I don't know exactly which one. Attorney Pedro Pablo Camargo often took part in Bogota, because he was interested in reading a book.

"As coordinator, I can say that I was never pressured nor did an agent outside Congress influence me to hold the fora. As for what went on in Cali, I was never at the Intercontinental. My home is here in Cali, and I did not need to stay there, nor did I spend time there to chat with those who did."

Francisco Jose Jattin

"I was at the Cali forum, but I don't know who paid the bill for the Intercontinental Hotel, where several of us congressmen stayed.

"The hotel says that Inversiones Ara paid the bills; that's the only thing I know, and I've said so in (Supreme) court."

Gustavo Espinosa

"I was at almost all the fora. I was not at all aware that Inversiones Ara paid our bills in Cali or other cities.

"Our intention was to organize fora in which the entire community that was interested in the issue of drug trafficking would take part.

"That way, we planned to draw clear-cut conclusions about ways of ending this drug trafficking problem. Not as many people as we expected went. I was in Cali but did not stay at the Intercontinental.

"I did go to the evening meeting, but nothing else. I paid my own bills."

Orlando Vasquez (Attorney General)

"We went to Cali and other cities to discuss issues having to do with justice, I think...drug trafficking.

"I didn't stay at the Intercontinental Hotel because I spent only a few hours in the city.

"I did go to the restaurant and I think that this is what people are saying that company, Inversiones Ara, paid for on my behalf."

Roberto Gerlein Echeverria

"I did not know that Inversiones Ara had paid those bills.

"In any case, I did not attend the meetings outside Bogota. I only went to the one in Bogota, which was held in Congress.

"The Senate committee made the decision to hold fora on the issue of drug trafficking in connection with a bill that was before the committee.

"To think all the trouble I saved myself. If I had decided to go, I wouldn't have bothered to find out from the secretary who paid for the tickets."

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Hugo Castro Borja

"I haven't a clue. I didn't know that Inversiones Ara had paid those bills.

"The only meeting I was at was the one in Cali, and since I'm from here and live here, I stayed in my home and paid my own fares.

"We met with Dario Londono, Superior Court justices, justices from the Criminal Division, judges, and officials from the Prosecutor's Office and the Attorney General's Office. Daric held other similar fora in Medellin.

"The meetings dealt with legalization or official drug policy.

"I attended a forum on legalization at the Cali Chamber of Commerce. I went there with Enrique Gomez.

"SOS Viva la Ciudadania organized the forum. Bernardo Gutierrez and Humberto Pelaez, who at the time chaired the Second Senate Committee, were also there, if I remember correctly."

Gustavo Galvis

"I didn't travel to those meetings. I went to none of those meetings. I was named to the committee set up by Humberto Pelaez.

"I didn't go because I didn't like the committee. I once went to a forum organized by the Government of Santander, but I was very reserved there. I didn't speak up.

"It is my understanding that they did hold fora. It is my understanding that they did hold fora here (in Bucaramanga), but since I live here in Bucaramanga...

"Moreover, Congress gives us a round-trip ticket to where we live. It's odd too, because it is my understanding that Congress would pay for such things.

"The truth is that I don't know how I got on that committee. I went to one of the fora and didn't meet anyone from my circle. So I left very early. I've always been involved in work on the environment."

Fernando Mendoza Ardila

"Fora were held to seek answers to the drug trafficking problem.

"They were run by Humberto Pelaez, who told the committee that there was an organization that was offering sponsorship.

"It was an organization that I think was started by rehabilitated M-19 members. I traveled on tickets issued by Congress.

"As for the hotels, the secretary told me that that organization was paying for the lodgings.

"The secretary who did the coordinating worked with Gustavo Espinosa or Humberto Pelaez, the ones who organized the fora. I can tell you that it was not Ara."

Yolima Espinosa

"The only forum that I attended was the one in Cali. There were a lot of proposals at the forum. I don't think that you can demonize the presence of lawmakers in these discussions. I was unable to attend the other fora because I had a lot of things in the works.

"Although I was in Cali, I didn't take part and didn't stay at the Intercontinental because my home is here.

"I know that Congress paid for the plane tickets. As for the rest...well, we lawmakers are supposed to cover the other expenses."

Ecuador

President's Private Trip To U.S. 'Strongly Criticized'

PY0411025095 Quito Voz de Los Andes in Spanish 1700 GMT 3 Nov 95

[FBIS Translated Text] President Sixto Duran-Ballen has traveled to New York with his wife to celebrate their 50th wedding anniversary in the midst of an obvious political, moral, and economic crisis.

Duran-Ballen will not be accompanied by any other relatives, and will be back by 6 November. In the meantime, Vice President Eduardo Pena Trivino will assume the presidency.

The president's trip has been strongly criticized because the cabinet has not been reorganized, two ministries remain vacant, one student died during the recent demonstrations, and the country is enduring a serious power shortage.

President Duran-Ballen's departure today for New York, where he will celebrate his 50th wedding anniversary, has also been criticized by the media and opposition, who have termed it inopportune at this moment when the cabinet crisis remains unresolved.

The president refuted the criticisms by stating that during his three years in power he has shown that he abides by his principles. He said that his behavior would have been quite different had he paid heed to criticisms or if he cared for his popularity level.

Duran-Ballen said that the opposition even worries about the fact that the president takes four days of leave

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when he has the right to do so because he wants to celebrate his 50th wedding anniversary in the New York church where he was married on 3 October 1945.

The media talks about a cabinet crisis because the president has not decided who will be the new members of his administration.

Poll: President's Popularity Down To 40 Percent

PY0411025995 Quito Voz de Los Andes in Spanish 1700 GMT 3 Nov 95

[FBIS Translated Text] President Sixto Duran-Ballen's popularity has dropped to 40 percent due to his inability to adopt hasty measures to solve the various problems afflicting the country.

According to the local media, during the border conflict with Peru the president enjoyed the support of 98 percent of the people, but his popularity has now dropped to below 40 percent.

A private polling company called (Ceratos y Perfiles de Opinion) maintains that the current situation in the country is complex because the Ecuadoran president has been very slow in making decisions. The company says that efficiency is measured in time and costs, and it believes that there was poor political efficiency and a great social cost to pay.

Poll: 78 Percent Plan To Vote During Plebiscite

PY0411030095 Quito Voz de Los Andes in Spanish 1700 GMT 3 Nov 95

[FBIS Translated Text] Seventy-eight percent of the Ecuadoran people said they will cast their vote during the upcoming referendum summoned by President Sixto Duran-Ballen to decide on the reform of the Constitution.

According to the results of a recent poll, depending on the questions asked, 78 percent of the people will cast their vote and 13 percent will not during the upcoming plebiscite.

The poll, which covered 1,600 homes, was conducted between 25 and 30 October in one of the main Ecuadoran cities, selected at random. The poll was based on 11 questions the people will have to answer during the plebiscite.

Countries Urged To Avoid Arms Buildup

96P20066A Quito EL COMERCIO in Spanish 27 Oct 95 p 1A

[Editorial: "Worrisome Arms Buildup"; received via Internet]

[FBIS Translated Text] It has been pleasant to point out on various occasions the progress made by Ecuador and Peru to relax tension especially in compliance with the terms of the agreement signed in Brasilia last February.

Equally deserving of mention is the two countries's willingness to take new steps to advance to the desired sixth point, the most difficult point, but also the most important. President Fujimori's presence in Quito was noted, and even though it was certainly for the purpose of attending the Rio Group Summit, it was a contribution. While the visits [to Peru] in 1996 of the Ecuadoran foreign minister and President Sixto Duran-Ballen have been announced.

The situation on the southern border, following long months of closure, is becoming normal despite a decline in trade compared to before the conflict. In general, Ecuadoran-Peruvian relations are more fluid, and all of the above fit into a positive framework, which is worth mentioning.

Then, there is the inevitable anxiety when referring to Peru's weapons purchases mentioned by its foreign minister. Obviously, the neighboring country explains them as being replacements of ordnance,but it is right to highlight Ecuador's hope that this issue will not pave the way to a phase of international preoccupations which could jeopardize the two countries' basic goals.

It is precisely the desire for a new relationship between Ecuador and Peru that forms part of a greater aspiration to prevent the wasteful and unnecessary spending in an arms buildup on both sides of the border, in Latin America in general, and the rest of the world.

Within those parameters, it is necessary that the guarantors take note of the issue and foster tranquilizing elements. One of the aspirations of the region is to give history a new orientation to face the challenges of the times. We are living in a dynamic and crucial stage, It is right that every effort be taken to involve the Andean countries in all processes that lead to progress, not the opposite.

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Peru

President: U.S. Military Aid Cut 'Untimely'

PY0411024895 Lima Radio Programas del Peru Network in Spanish 1700 GMT 3 Nov 95

[Live relay by Carlos Alvarado Chavez]

[FBIS Translated Text] President Alberto Fujimori labeled the cut in U.S. military aid to Peru by the U.S. Government, more specifically, by the U.S. Congress, as untimely.

Fujimori added that the cut will be covered with the resources the state has earmarked for the drug enforcement effort:

[Begin Fujimori recording] In reality this cooperation was needed, basically for drug enforcement. But the cooperation was really small in face of the magnitude of the problem. We will cover this cut with our own resources. The cut is really completely unjustified because it was decided upon on the pretext of human rights violations, when the situation here in Peru is quite the contrary. This cooperation should have been suspended when the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] were operating and human rights were constantly being violated. The cut seems to be untimely. [end recording]

President Fujimori made these comments after dedicating 18 water wells in Lima. The cost of these projects is about $14 million. The wells will produce 1,000 liters of water per second. Fujimori said the water supply to Lima for the next few months has been assured. Fujimori is now leaving for the San Juan de Lurigancho zone, where he will dedicate several urban sanitation projects.

Notes 'Satisfaction' With U.S. Denial

PA0511041795 Mexico City NOTIMEX in Spanish 0111 GMT 5 Nov 95

[FBIS Translated Text] Lima, 4 Nov (NOTIMEX) — Peruvian President Alberto Fujimori voiced his satisfaction today with a U.S. denial of an alleged cut in its military aid to the Andean country to fight drug trafficking.

After closing an event of national businessmen in the Andean region of Cusco, 1,170 km southeast of Lima, Fujimori noted that it was all due to "confusion."

He added that it was due to news dispatches out of Washington reporting that the suspension of such aid was "approved" by the U.S. Senate and House of Representatives.

On the evening of 3 November, the U.S. Embassy in Lima denied that the U.S. Congress agreed to eliminate military aid to Peru, and it assured that antidrug cooperation between the two countries would continue.

"The U.S. Congress has not taken any action to cut or suspend any antidrug aid to Peru; quite the contrary, the Congress has been very cooperative with the antidrug struggle," stated a communique issued by the U.S. Information Service (USIS) in Lima to clarify the issue.

Fujimori on 3 November described the alleged cut in U.S. military aid to Peru as untimely, and he added that "the Andean country would continue the struggle against drug trafficking with its own resources in view of minimal U.S. cooperation."

He reaffirmed that U.S. economic contribution to the antidrug struggle in Peru is very limited in comparison to the magnitude of the problem posed by international drug trafficking, which moves $500 billion each year.

Meanwhile, Interior Minister General Juan Briones revealed that the United States spent $13 million to fight the drug mafias in Peru while Peru is investing $600 million.

Government Extends State of Emergency in 4 Provinces

PA0411181295 Paris AFP in Spanish 1740 GMT 4 Nov 95

[FBIS Translated Text] Lima, 4 Nov (AFP) — The Peruvian Government announced today, Saturday, that beginning on 7 November it will extend for 60 days the state of emergency in four provinces located in the northeastern jungle.

The government justifies its decision by saying, as a supreme decree published in the official gazette states, that "certain manifestations" of disruption of internal order persist and are hindering the completion of the pacification process in that region of the country.

The Armed Forces will therefore continue to maintain internal order in the provinces involved, which are located in the Ucayali, Huanuco, and Loreto departments.

Groups of drug traffickers and rebel columns of the Maoist Shining Path organization are active in this region.

Emergency Extended for 60 Days

PA0511174595 Mexico City NOTIMEX in Spanish 1645 GMT 5 Nov 95

[FBIS Translated Excerpt] Lima, 5 Nov (NOTIMEX) — Less than a week before the municipal elections to be held throughout the country, Peruvian President Alberto Fujimori today extended the state of emergency in Lima

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and Callao and ordered the Armed Forces to neutralize any subversive actions.

The measure, which suspends the population's constitutional rights, such as freedom of assembly and inviolableness of the home, and restricts the freedom of movement, affects nearly half the national territory because of the presence of rebel groups.

Through a supreme decree, also signed by Defense Minister Gen. Victor Malca and Government Minister Juan Briones, the Peruvian government extended the state of emergency for 60 days because "some signs of disturbances still exist."

A Peruvian Army captain was wounded Saturday at the door to his home, located in the Lima district of San Miguel in the city's northeastern quarter, by unidentified individuals who fired on him from a speeding motorcycle, police reported today.

The Army, Navy, and Air Force have been instructed to maintain control and public order in the provinces of Lima, Barranca, and Huayochiri in the department of Lima, and in the nearby province of el Callao, 15 km west from Lima. [passage omitted]

Arrest of Army Officers for Drug Links Confirmed

PY0611125795 Madrid EFE in Spanish
1735 GMT 3 Nov 95

[FBIS Translated Excerpt] Lima, 3 Nov (EFE) — Military sources reported today that two Peruvian Army generals were arrested on orders of a Peruvian court.

Brigadier Generals David Jaime Sobrevilla and Macdonald Perez Silva were arrested by officers of the Military Police and confined to the Army General Headquarters known as "El Pentagonito" [Little Pentagon], located in the Lima district of San Borja.

Sobrevilla had been head of the Mantaro Political-Military Front, in the Peruvian central jungle region, from 1992 to 1994, while Macdonald Perez had been head of the Constitucion countersubversive base in the Peruvian central jungle region.

The two generals were summoned by the court along with nine other officers for covering up the illegal activities of drug trafficker Abelardo Cachique Rivera in the jungle region of Junin Department.

The responsibility of these 11 officers in the case was established by Prosecutor Juan Cordova de los Santos after the interrogation of Cachique Rivera following his arrest in July 1995.

The Lima press has confirmed the arrest of Sobrevilla and Perez but not of the others, whose situation is uncertain, because of the contradictory reports released on the matter.

While one sector of the press reported that "all of them have been duly identified and placed at the disposal of the Army Personnel Directorate, as appropriate for officers wanted by the courts," another sector reported that they are apparently free.

The other accused officers are Colonel David Antonio de Vinatea Cornejo; Lieutenant Colonel Jose F. Peralta Salas Guevara; Major Agustin Tafur Urbina; and Captains Hugo Dante Cordova Asuy, Guillermo Portal Ponce, and Hector Uriol Rios.

The list also includes Lieutenants Luis Roberto Plascencia Sotelo and Mario Jesus Figueroa Rondoreda and 2d Lieutenant Jose Eduardo Ponce Andrade. [passage omitted]

Battle for Leadership of Shining Path Reported

PY3010233195 Lima EXPRESO in Spanish
14 Oct 95 p A12

[FBIS Translated Text] The leaders of the decimated Maoist Shining Path [SL] group — Oscar Ramirez Durand, aka Feliciano, and Jose Luis Flores or Eulogio Cerdon Cardozo, aka Artemio — are now enemies. According to information given to EXPRESO by an intelligence source, the two criminals are fighting over leadership of this almost dismantled terrorist group.

According to the source, the war within this group of fanatics erupted after the disclosures by arrested terrorist Margie Clavo Peralta, aka Nancy, in September.

On that occasion, during a TV interview, Nancy accused Feliciano of having denounced former SL leader Abimael Guzman Reinoso, who is now serving a life sentence at the Naval Base in Callao. According to Nancy, Ramirez Durand is a "usurper and a sinister man" who is only interested in "his personal power."

That is why, she said, he did not allow the SL leadership to move from Lima to the mountains. This allowed for Guzman's arrest, which took place on 12 September 1992. Nancy also urged the members of the dissident faction to abandon Feliciano and lay down their weapons.

Ramirez Durand's followers seemed to have listened to that appeal. According to our source, a repentant terrorist has disclosed that Artemio is trying to oust the current SL leader. It is even known that they are both willing to wage a bloody battle.

The repentant terrorist also said that Artemio was the one who denounced Margie Clavo Peralta, who was

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arrested on 22 March in Huancayo. On the day of her arrest, Nancy, who at that time was the second in command, had called a meeting of the SL emergency committee. The police barged into the building where the terrorists' meeting was taking place. According to our spokesman, Artemio provided the information on the gathering.

During the raid the police also arrested Jorge Olivares del Carpio, aka Roldan; Boris Taipe Castillo, aka Miguel; Hector Atahualpa Inga; Hortensia Hernandez Bautista, aka Karina; Luis Lopez Medrano, aka Hugo; and Rodolfo Cardenas Ruiz.

However, that was not the only betrayal by the one who is now Feliciano's enemy. In 1989, when he headed a SL group in the Upper Huallaga, he ordered the murder of Waldemar Rosas, aka Farfan, the terrorist leader in that zone.

Commentary Views Consequences of Ecuadoran 'Crisis'

PY3110163995 Lima LA REPUBLICA in Spanish 19 Oct 95 p 6

[Commentary by Mirko Lauer: "When the Neighbor's House Is on Fire"]

[FBIS Translated Text] Some of the initial consequences the Ecuadoran political crisis may have for Peru:

1. The crisis in Quito makes the process of normalization in the relationship more uncertain and opens the possibility for surprises, probably nothing good. The commitments that a government which is so weakened and so near elections may assume are the kinds of decisions that a subsequent government, civilian or not, may denounce.

2. An unstable Ecuador must be causing the Peruvian military more unrest than ever. Somehow or another the pacification process could return to Square One. A military coup in Quito would modify the region's geopolitical scheme. Several military leaders in Chile might even applaud, not so secretly.

3. It once again proves that currently, for many executive branches, and ours is no exception, whether one is the persecuted (with or without any reason) or the persecutor depends upon whether one enjoys a majority in Congress. Sixto Duran-Ballen's worries undoubtedly strengthen the beliefs of Fujimori's most authoritarian supporters.

4. The speed with which developments are unfolding in Vice President Alberto Dahik's trial and the way in which they are inclining toward Duran-Ballen make the line that divides the economic investigation from the political persecution unclear. This has an obvious relationship with the government's persecution of Alan Garcia.

5. Even if the current Ecuadoran crisis is solved — that is, if it does not lead to a military coup — what it is doing is sowing the strong possibility of a Fujimori-style coup by the next government. In other words, the possibility that Congress will be closed and a political alliance with the military established. In some way we may be going back, and not so slowly, to the 1970's.

6. The beginning of a period of great instability in Ecuador may make more attractive the possibilities of investing in Peruvian oil, with the United States safeguarding military peace in the zone permanently. However, it seems difficult to see it agreeing to continue providing that service to allow for Chinese investments in the area.

7. In one way or another, the Ecuadoran crisis shows that at the time of a political crisis, what is considered theoretically correct in the economic field ceases to be important. In other words, what is a stake in Ecuador is not an economic program but rather a straightforward struggle for political power. Currently in Ecuador there are no "economic groups," as in Peru.

8. Lastly, we do not dismiss the possibility of a domino effect, which may start off in Peru by eliminating the idea that the leaders are the ones who should be thoroughly investigated first. Although this goes against the idea of a pragmatic stability (we must call it something) promoted by the good business world, it could end up becoming a way of solving disagreements at a high level.

Fujimori Speaks on 50th Anniversary of United Nations

PY0311123395 Lima EXPRESO in Spanish 24 Oct 95 p A6

[FBIS Translated Text] President Alberto Fujimori said on 23 October, that the United Nations of the 21st century must face the challenge of promoting development and eradicating poverty from the world with a "firm moral attitude and political determination."

The president sent this message of greetings to the 50th anniversary of the United Nations, whose commemoration is scheduled to conclude in New York on 24 October.

Fujimori added that to fight poverty, "the United Nations structure should undergo a deep renewal so that it may become a useful instrument for peace and for the harmonious development of the planet, instead of a merely formal organization."

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The president said that the work ahead of the United Nations in the 21st century entails an integrated concept of security and development to meet the concrete demands of society.

He said: "It is essential to adopt absolutely democratic criteria in the United Nations, guaranteeing genuine representativity in organs that are vitally important, like the Security Council."

It is a precondition for the United Nations — which is a great achievement of the 20th century — to emerge as a strong project of unity in the 21st century, the president added.

Fujimori noted that the world is experiencing a time of change, in which mankind as a whole is entering a truly universal era of global exchanges.

The president added that the new conditions ruling the world power balance are shaping, for the first time ever, the possibility of building a new international order based on the rational imperative of cooperation, rather than on the use of force.

He said the conditions supporting the difficult international security system have undergone considerable changes.

Thus, he said, the main threats to peace and security originate from the deterioration of social and institutional structures. Poverty in large areas of the planet is the most dangerous and obstinate expression of such threats.

Correction to Brady Plan Entry Viewed

PY3110143095

The following correction pertains to the item headlined "Fujimori Urges Exporters To Consider Asian Markets," carried in the 31 October Latin America DAILY REPORT, pages 38-39:

Page 38, first column, fourth full paragraph make read: ...Lima, 28 Oct (EFE) — The evaluation by analysts of Peruvian President Alberto Fujimori's announcement that Peru has joined the Brady Plan shows that Peru's definitive return to the fold of the international financial system will shore up the economic reforms that the Andean country has instituted. [new graf]

After negotiating for... (rewording for clarity)

Uruguay

Iranian Trade Delegation Begins Latin American Tour

PY0311171795 Buenos Aires TELAM in Spanish 1549 GMT 3 Nov 95

[All names and titles as received]

[FBIS Translated Text] Montevideo, 3 Nov (TELAM-SEM) — An Iranian delegation headed by Minister of Commerce Yahya ol-Eshaq, today began a Latin American tour in Uruguay that seeks to enhance trade. They will also visit Cuba and Mexico.

The 17-man delegation includes Ali Naghi Khamousy, the Iranian Chamber of Commerce, Industry, and Mining president and a member of the Iranian parliament. They will meet Uruguayan producers and exporters today.

Iranian diplomatic sources have said that Iran, which purchases Uruguayan rice, is also interested in other products, such as beef, wool, sugar, lumber, and paper. They added that Iran wants to increase sales of crude oil to Uruguay.

During his visit to Montevideo, which will end on 5 November, Minister of Commerce ol-Eshaq will meet Luis Mosca, the Uruguayan economy and finance minister, and members of the international affairs committees of the two chambers of the Uruguayan Congress.

Cooperation Discussed

LD0411194395 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 4 Nov 95

[FBIS Translated Text] Iran's Commerce Minister Yahya ol-Eshaq, who has travelled to several South American countries at the head of a delegation, yesterday met the Uruguayan ministers in charge of foreign affairs, economics, finance, industry, and agriculture.

According to the Central News Unit, in these meetings the two parties emphasized the need for the expansion of relations and called for cooperation between the regional pacts of ECO [Economic Cooperation Organization] and Mercosur [Southern Cone Common Market].

It was also decided that the Islamic Republic of Iran would participate in the search for oil, refinery construction, and other projects in Uruguay and in turn purchase meat, rice, wool, and dairy products from that country.

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Economic Setbacks Caused by Integration Noted

PY0311121895 Madrid EFE in Spanish 1535 GMT 1 Nov 95

[FBIS Translated Text] Montevideo, 1 Nov (EFE) — Economy Minister Luis Mosca has emphasized that the Mercosur [Common Market of the South] integration process in which Uruguay is participating along with Argentina, Brazil and Paraguay entails a reduction of elbow room for Uruguayan economic policies.

As the regional process moves forward — a customs union was created on 1 January — "we are becoming more dependent on relative prices in the region in light of the most accelerated opening in Brazil and Argentina," Mosca said. He added: "This does not mean we (Uruguayans) can do nothing or have no plans to overcome the impact of those factors."

In statements to the "In Perspective" program of "Radio El Espectador" of Montevideo, Mosca said: "If the agreement means our commercial policy has fewer possibilities of causing an impact, we should consider ways to resolve the situation."

Mosca admitted that in Uruguay, the internal adjustment measures adopted by the Argentine Government had a "stronger impact than expected."

The Uruguayan economic team estimated that exports to the Argentine market would drop by 15 percent; in fact they dropped by 37 percent.

Mosca admitted that if no major changes occur during the rest of the year, the Uruguayan economy will experience a drop of between 0.5 and 1 percent in 1995.

The minister estimated that inflation will be about 2 percent in November and December, thus pushing the yearly accumulated inflation rate to slightly above 35 percent.

Venezuela

Drug Traffickers Reportedly Set Up Relay Antenna

PA0511132195 Mexico City NOTIMEX in Spanish 1558 GMT 2 Nov 95

[FBIS Translated Text] Caracas, 2 Nov (NOTIMEX) — Venezuela has proven the presence of Colombian drug traffickers in its territory to Colombia, which justifies the actions carried out against poppy growers a few days ago, a local official said today.

Rafael Avila, governor of Zulia State bordering Colombia, told Union Radio that in the recent binational mission that traveled to the border region "we ratified our decision to defend our sovereignty and fight drug trafficking."

A few days ago, a border incident caused tensions in the diplomatic relations between the two countries after Venezuelan soldiers arrested five Colombian poppy growers in Venezuelan territory.

The arrest of peasants was reportedly accompanied by acts of vandalism by the Venezuelan troops against Colombian residents at the town of "Cerro Pintao" located at the Perija Mountain Range, some 850 km west of Caracas, where they caused destruction.

While Colombia claimed the Venezuelan Army invaded Colombian territory to arrest five peasants, Venezuela rejected the version saying the drug traffickers were actually being protected in its version of the incidents.

Last week a Colombian diplomat said in Caracas that the evidence showing that Venezuelan troops had illegally crossed the border was an antenna run by Colombia's Inravision Television, but it was later discovered that the antenna was built on Venezuelan territory.

When referring to the antenna's location, Governor Avila told the radio station that the Colombian soldiers "admitted they had never been on that part of the border before, which is Venezuelan territory."

He added that the alleged Inravision antenna is nothing more than a telecommunications relay antenna that Colombian drug traffickers reportedly set up in Venezuela to coordinate their operations.

Meanwhile, Venezuelan Foreign Minister Miguel Angel Burelli said recently that the administration of President Rafael Caldera does not want to interrupt its dialogue and rapprochement with Colombia following the incidents.

"Our enemy is not Colombia. Venezuela's and Colombia's enemies are the drug traffickers, the criminals, and the (Colombian) guerrillas," the diplomat said when referring to the most important problems faced at the border.

Colombia and Venezuela share a border over 2,200 km long, most of which is inhabited by residents of both countries, who often confuse the border limits.

This is the second most serious border problem so far this year. The first occurred last February when a guerrilla unit attacked a Venezuelan border post and killed about 10 Venezuelan marines.

Following a foreign ministers' meeting held in the city of Merida (Venezuela) last March, both sides agreed to create a Binational Commission for consultations to coordinate joint actions to prevent these types of incidents.

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Some 5,000 Venezuelan troops and some 3,000 Colombian troops are currently deployed at the Colombian-Venezuelan border, both sent there to prevent invasions into their territories and to fight guerrillas and drug traffickers.

Pharmaceutical Laboratories Declare 'Total Crisis'

PA0511185595 Mexico City NOTIMEX in Spanish 1654 GMT 5 Nov 95

[FBIS Translated Text] Caracas, 5 Nov (NOTIMEX) — It was reported today in this capital that Venezuela's pharmaceutical laboratories have declared themselves in total crisis over their "impossibility to keep on supplying" the Venezuelan Social Security Institute or other public and private hospitals.

The laboratories that operate in the capital of Venezuela today published large paid advertisements in the local media warning of the crisis the pharmaceutical industry of this South American country is going through.

The laboratories report that in January, the Central Government authorized a 15-percent price increase that did not "compensate for the responsibilities we had been dragging since 1994." They added: "It is absurd to pretend to keep prices frozen in an inflationary economy."

The laboratories claim that the increase in public service bills such as the electricity and transportation bills, as well as a recent collective contract with the workers of the pharmacy sector, have placed the industry in a drawdown situation.

The pharmacies denounced that the monetary authorities are refusing to deliver to them foreign exchange the sector needs to pay its private foreign debt, acquired with suppliers, and for this reason they are not receiving supplies essential for the industry.

The laboratories said: "Since 7 August 1995 we receive no foreign exchange authorization to import raw material or elaborated products."

The laboratories demand that Development Minister Werner Corrales design a global industrial policy for the pharmaceutical sector, considered as "vital and important."

Since June 1994 the Rafael Caldera administration is exerting strict control over prices and foreign exchange to protect the country's international reserves.

The production sectors that require dollars to import raw material or finished products must present a foreign exchange request to the monetary authorities which then approve or reject the request.

Everyday, the country's most important economic groups pressure the Caldera administration to eliminate price controls and to liberate the foreign currency.

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